



*State of California*

**DEPARTMENT  
OF CHILD  
SUPPORT  
SERVICES  
(DCSS)**

# **LOCAL ASSISTANCE ADMINISTRATIVE COSTS AND COLLECTIONS ESTIMATES**

**MAY 2002 REVISE  
SFY 2002-03**



**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



**TO:** RECIPIENTS OF THE MAY 2002 REVISE OF THE  
2002-03 GOVERNOR'S BUDGET

**FROM:** ANNETTE SILER, CHIEF  
Financial Services Branch

**DATE:** May 14, 2002

**SUBJECT:** LOCAL ASSISTANCE ESTIMATES

This memorandum transmits the May 2002 Revise local assistance estimates for the 2002-03 Governor's Budget for the California Department of Child Support Services (DCSS).

The May 2002 Revise covers fiscal years (FY) 2001-02 and 2002-03. It provides the estimates of the administrative costs for the local child support agencies as well as the detailed methodology for each estimate. It also provides the estimate of the child support collections and miscellaneous revenue to the General Fund. For FY 2002-03, the total distributed child support collections are projected to reach over \$2.4 billion.

The material contained in the May 2002 Revise binder will also be available on the DCSS website: <http://www.childsup.ca.gov>. Should you have any questions, please contact the Financial Planning Section at (916) 464-5150.



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**CHILD SUPPORT PROGRAM  
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**TABLE NUMBER 1**  
**COST COMPARISON OF**  
**2001-02 MAY REVISE TO 2001-02 APPROPRIATION**  
(in thousands)

Budget Item	2001-02 MAY REVISE					2001-02 APPROPRIATION					DIFFERENCES				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
<b>1 101 CHILD SUPPORT PROGRAM COSTS</b>	<b>1,009,679</b>	<b>615,271</b>	<b>394,364</b>	<b>0</b>	<b>44</b>	<b>966,613</b>	<b>531,237</b>	<b>434,876</b>	<b>0</b>	<b>500</b>	<b>43,066</b>	<b>84,034</b>	<b>-40,512</b>	<b>0</b>	<b>-456</b>
* Local Assistance Child Support Services	511,476	274,520	236,912	0	44	459,636	176,237	282,899	0	500	51,840	98,283	-45,987	0	-456
* Child Support Collections Recovery Funds	340,751	340,751	0	0	0	355,000	355,000	0	0	0	-14,249	-14,249	0	0	0
* Alternative Federal Penalty	157,452	0	157,452	0	0	151,977	0	151,977	0	0	5,475	0	5,475	0	0
<b>2 Child Support Administration 10.01</b>	<b>995,775</b>	<b>547,946</b>	<b>175,206</b>	<b>272,579</b>	<b>44</b>	<b>951,740</b>	<b>473,280</b>	<b>170,806</b>	<b>307,154</b>	<b>500</b>	<b>44,035</b>	<b>74,666</b>	<b>4,400</b>	<b>-34,575</b>	<b>-456</b>
3 Local Child Support Agency Basic Costs	801,249	528,683	0	272,566	0	905,335	597,728	458	307,149	0	-104,086	-69,045	-458	-34,583	0
4 Administration 1/	692,035	456,602	0	235,433	0	796,581	525,950	458	270,173	0	-104,546	-69,348	-458	-34,740	0
5 EDP M&O	109,214	72,081	0	37,133	0	108,754	71,778	0	36,976	0	460	303	0	157	0
6 EDP Conversion and Enhancements	15,717	9,700	6,017	0	0	18,262	11,379	6,883	0	0	-2,545	-1,679	-866	0	0
7 Interim Access Federal Case Registry	249	164	85	0	0	249	164	85	0	0	0	0	0	0	0
8 Backfill Loss of FFP-County EDP M&O	0	-2,541	2,541	0	0	0	-1,943	1,943	0	0	0	-598	598	0	0
9 Alternative Federal Penalty	157,452	0	157,452	0	0	0	-151,977	151,977	0	0	157,452	151,977	5,475	0	0
10 Compliance Review Project	4,658	3,074	1,584	0	0	4,658	3,074	1,584	0	0	0	0	0	0	0
11 Health Insurance Incentives	3,295	0	3,295	0	0	2,343	0	2,343	0	0	952	0	952	0	0
12 Local Agency Transitions	1,600	1,056	544	0	0	1,600	1,056	544	0	0	0	0	0	0	0
13 Partners For Fragile Families Demonstration Project	350	350	0	0	0	350	350	0	0	0	0	0	0	0	0
14 Urban Hispanic Outreach Project	185	172	0	13	0	109	104	0	5	0	76	68	0	8	0
15 Child Support Assurance Demo Project-Evaluation	44	0	0	0	44	500	0	0	0	500	-456	0	0	0	-456
16 Foster Parent Training Fund	3,688	0	3,688	0	0	4,989	0	4,989	0	0	-1,301	0	-1,301	0	0
17 Title IV-E Child Support Collections	7,288	7,288	0	0	0	13,345	13,345	0	0	0	-6,057	-6,057	0	0	0
<b>18 Child Support Incentives 10.02</b>	<b>1,002</b>	<b>54,423</b>	<b>219,158</b>	<b>-272,579</b>	<b>0</b>	<b>1,332</b>	<b>44,416</b>	<b>264,070</b>	<b>-307,154</b>	<b>0</b>	<b>-330</b>	<b>10,007</b>	<b>-44,912</b>	<b>34,575</b>	<b>0</b>
19 Basic Incentives	0	43,942	228,637	-272,579	0	0	44,416	262,738	-307,154	0	0	-474	-34,101	34,575	0
20 Data Reliability Audit	0	10,481	-10,481	0	0	0	0	0	0	0	0	10,481	-10,481	0	0
21 Improved Performance Incentives (FC 17706)	1,002	0	1,002	0	0	1,332	0	1,332	0	0	-330	0	-330	0	0
<b>22 Child Support Automation 10.03</b>	<b>12,902</b>	<b>12,902</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,541</b>	<b>13,541</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-639</b>	<b>-639</b>	<b>0</b>	<b>0</b>	<b>0</b>
23 California Child Support Automation System	12,902	12,902	0	0	0	13,541	13,541	0	0	0	-639	-639	0	0	0
24 State Disbursement Unit	505	505	0	0	0	0	0	0	0	0	505	505	0	0	0
25 Child Support Enforcement	12,397	12,397	0	0	0	13,541	13,541	0	0	0	-1,144	-1,144	0	0	0

\* Denotes a non-add item, which is displayed for information purposes only.

1/ FY 2001-02 Appropriation Basic Administration includes the roll-up of State Investment Funds (Total \$1,465; FF \$967; GF \$458; CO \$40) and San Mateo County NCP Project (Total \$24; FF \$23; GF \$0; CO \$1).

**TABLE NUMBER 2**  
**COST COMPARISON OF**  
**2001-02 MAY REVISE TO 2001-02 NOVEMBER ESTIMATE**  
(in thousands)

Budget Item	2001-02 MAY REVISE						2001-02 NOVEMBER ESTIMATE						DIFFERENCES					
	Total	Federal	State	County	Reimb.		Total	Federal	State	County	Reimb.		Total	Federal	State	County	Reimb.	
<b>1 101 CHILD SUPPORT PROGRAM COSTS</b>	<b>1,009,679</b>	<b>615,271</b>	<b>394,364</b>	<b>0</b>	<b>44</b>		<b>1,091,770</b>	<b>671,886</b>	<b>419,579</b>	<b>0</b>	<b>305</b>		<b>-82,091</b>	<b>-56,615</b>	<b>-25,215</b>	<b>0</b>	<b>-261</b>	
* Local Assistance Child Support Services	511,476	274,520	236,912	0	44		590,152	327,722	262,125	0	305		-78,676	-53,202	-25,213	0	-261	
* Child Support Collections Recovery Funds	340,751	340,751	0	0	0		344,164	344,164	0	0	0		-3,413	-3,413	0	0	0	
* Alternative Federal Penalty	157,452	0	157,452	0	0		157,454	0	157,454	0	0		-2	0	-2	0	0	
<b>2 Child Support Administration 10.01</b>	<b>995,775</b>	<b>547,946</b>	<b>175,206</b>	<b>272,579</b>	<b>44</b>		<b>1,077,252</b>	<b>603,947</b>	<b>175,846</b>	<b>297,154</b>	<b>305</b>		<b>-81,477</b>	<b>-56,001</b>	<b>-640</b>	<b>-24,575</b>	<b>-261</b>	
3 Local Child Support Agency Basic Costs	801,249	528,683	0	272,566	0		873,531	576,390	0	297,141	0		-72,282	-47,707	0	-24,575	0	
4 Administration	692,035	456,602	0	235,433	0		763,870	504,014	0	259,856	0		-71,835	-47,412	0	-24,423	0	
5 EDP M&O	109,214	72,081	0	37,133	0		109,661	72,376	0	37,285	0		-447	-295	0	-152	0	
6 EDP Conversion and Enhancements	15,717	9,700	6,017	0	0		18,416	11,481	6,935	0	0		-2,699	-1,781	-918	0	0	
7 Interim Access Federal Case Registry	249	164	85	0	0		249	164	85	0	0		0	0	0	0	0	
8 Backfill Loss of FFP-County EDP M&O	0	-2,541	2,541	0	0		0	-2,541	2,541	0	0		0	0	0	0	0	
9 Alternative Federal Penalty	157,452	0	157,452	0	0		157,454	0	157,454	0	0		-2	0	-2	0	0	
10 Compliance Review Project	4,658	3,074	1,584	0	0		4,658	3,074	1,584	0	0		0	0	0	0	0	
11 Health Insurance Incentives	3,295	0	3,295	0	0		3,015	0	3,015	0	0		280	0	280	0	0	
12 Local Agency Transitions	1,600	1,056	544	0	0		1,600	1,056	544	0	0		0	0	0	0	0	
13 Partners For Fragile Families Demonstration Project	350	350	0	0	0		350	350	0	0	0		0	0	0	0	0	
14 Urban Hispanic Outreach Project	185	172	0	13	0		185	172	0	13	0		0	0	0	0	0	
15 Child Support Assurance Demo Project-Evaluation	44	0	0	0	44		305	0	0	0	305		-261	0	0	0	-261	
16 Foster Parent Training Fund	3,688	0	3,688	0	0		3,688	0	3,688	0	0		0	0	0	0	0	
17 Title IV-E Child Support Collections	7,288	7,288	0	0	0		13,801	13,801	0	0	0		-6,513	-6,513	0	0	0	
<b>18 Child Support Incentives 10.02</b>	<b>1,002</b>	<b>54,423</b>	<b>219,158</b>	<b>-272,579</b>	<b>0</b>		<b>1,002</b>	<b>54,423</b>	<b>243,733</b>	<b>-297,154</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>-24,575</b>	<b>24,575</b>	<b>0</b>	
19 Basic Incentives	0	43,942	228,637	-272,579	0		0	43,942	253,212	-297,154	0		0	0	-24,575	24,575	0	
20 Data Reliability Audit	0	10,481	-10,481	0	0		0	10,481	-10,481	0	0		0	0	0	0	0	
21 Improved Performance Incentives (FC 17706)	1,002	0	1,002	0	0		1,002	0	1,002	0	0		0	0	0	0	0	
<b>22 Child Support Automation 10.03</b>	<b>12,902</b>	<b>12,902</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>13,516</b>	<b>13,516</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>-614</b>	<b>-614</b>	<b>0</b>	<b>0</b>	<b>0</b>	
23 California Child Support Automation System	12,902	12,902	0	0	0		13,516	13,516	0	0	0		-614	-614	0	0	0	
24 State Disbursement Unit	505	505	0	0	0		505	505	0	0	0		0	0	0	0	0	
25 Child Support Enforcement	12,397	12,397	0	0	0		13,011	13,011	0	0	0		-614	-614	0	0	0	

\* Denotes a non-add item, which is displayed for information purposes only.

**TABLE NUMBER 3**  
**COST COMPARISON OF**  
**2002-03 MAY REVISE TO 2001-02 MAY REVISE**  
(in thousands)

Budget Item	2002-03 MAY REVISE					2001-02 MAY REVISE					DIFFERENCES				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
<b>1 101 CHILD SUPPORT PROGRAM COSTS</b>	<b>975,386</b>	<b>629,860</b>	<b>345,205</b>	<b>0</b>	<b>321</b>	<b>1,009,679</b>	<b>615,271</b>	<b>394,364</b>	<b>0</b>	<b>44</b>	<b>-34,293</b>	<b>14,589</b>	<b>-49,159</b>	<b>0</b>	<b>277</b>
* Local Assistance Child Support Services	533,195	277,399	255,475	0	321	511,476	274,520	236,912	0	44	21,719	2,879	18,563	0	277
* Child Support Collections Recovery Funds	352,461	352,461	0	0	0	340,751	340,751	0	0	0	11,710	11,710	0	0	0
* Alternative Federal Penalty	89,730	0	89,730	0	0	157,452	0	157,452	0	0	-67,722	0	-67,722	0	0
<b>2 Child Support Administration 10.01</b>	<b>966,167</b>	<b>580,651</b>	<b>92,108</b>	<b>293,087</b>	<b>321</b>	<b>995,775</b>	<b>547,946</b>	<b>175,206</b>	<b>272,579</b>	<b>44</b>	<b>-29,608</b>	<b>32,705</b>	<b>-83,098</b>	<b>20,508</b>	<b>277</b>
3 Local Child Support Agency Basic Costs	861,604	568,517	0	293,087	0	801,249	528,683	0	272,566	0	60,355	39,834	0	20,521	0
4 Administration	750,273	495,039	0	255,234	0	692,035	456,602	0	235,433	0	58,238	38,437	0	19,801	0
5 EDP M&O	111,331	73,478	0	37,853	0	109,214	72,081	0	37,133	0	2,117	1,397	0	720	0
6 EDP Conversion and Enhancements	6,995	4,617	2,378	0	0	15,717	9,700	6,017	0	0	-8,722	-5,083	-3,639	0	0
7 Interim Access Federal Case Registry	0	0	0	0	0	249	164	85	0	0	-249	-164	-85	0	0
8 Backfill Loss of FFP-County EDP M&O	0	0	0	0	0	0	-2,541	2,541	0	0	0	2,541	-2,541	0	0
9 Alternative Federal Penalty	89,730	0	89,730	0	0	157,452	0	157,452	0	0	-67,722	0	-67,722	0	0
10 Compliance Review Project	0	0	0	0	0	4,658	3,074	1,584	0	0	-4,658	-3,074	-1,584	0	0
11 Health Insurance Incentives	0	0	0	0	0	3,295	0	3,295	0	0	-3,295	0	-3,295	0	0
12 Local Agency Transitions	0	0	0	0	0	1,600	1,056	544	0	0	-1,600	-1,056	-544	0	0
13 Partners For Fragile Families Demonstration Project	300	300	0	0	0	350	350	0	0	0	-50	-50	0	0	0
14 Urban Hispanic Outreach Project	0	0	0	0	0	185	172	0	13	0	-185	-172	0	-13	0
15 Child Support Assurance Demo Project-Evaluation	321	0	0	0	321	44	0	0	0	44	277	0	0	0	277
16 Foster Parent Training Fund	0	0	0	0	0	3,688	0	3,688	0	0	-3,688	0	-3,688	0	0
17 Title IV-E Child Support Collections	7,217	7,217	0	0	0	7,288	7,288	0	0	0	-71	-71	0	0	0
<b>18 Child Support Incentives 10.02</b>	<b>0</b>	<b>39,990</b>	<b>253,097</b>	<b>-293,087</b>	<b>0</b>	<b>1,002</b>	<b>54,423</b>	<b>219,158</b>	<b>-272,579</b>	<b>0</b>	<b>-1,002</b>	<b>-14,433</b>	<b>33,939</b>	<b>-20,508</b>	<b>0</b>
19 Basic Incentives	0	39,990	253,097	-293,087	0	0	43,942	228,637	-272,579	0	0	-3,952	24,460	-20,508	0
20 Data Reliability Audit	0	0	0	0	0	0	10,481	-10,481	0	0	0	-10,481	10,481	0	0
21 Improved Performance Incentives (FC 17706)	0	0	0	0	0	1,002	0	1,002	0	0	-1,002	0	-1,002	0	0
<b>22 Child Support Automation 10.03</b>	<b>9,219</b>	<b>9,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,902</b>	<b>12,902</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,683</b>	<b>-3,683</b>	<b>0</b>	<b>0</b>	<b>0</b>
23 California Child Support Automation System	9,219	9,219	0	0	0	12,902	12,902	0	0	0	-3,683	-3,683	0	0	0
24 State Disbursement Unit	517	517	0	0	0	505	505	0	0	0	12	12	0	0	0
25 Child Support Enforcement	8,702	8,702	0	0	0	12,397	12,397	0	0	0	-3,695	-3,695	0	0	0

\* Denotes a non-add item, which is displayed for information purposes only.

**TABLE NUMBER 4**  
**COST COMPARISON OF**  
**2002-03 MAY REVISE TO 2002-03 GOVERNOR'S BUDGET**  
(in thousands)

Budget Item	2002-03 MAY REVISE					2002-03 GOVERNOR'S BUDGET					DIFFERENCES				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
<b>1 101 CHILD SUPPORT PROGRAM COSTS</b>	<b>975,386</b>	<b>629,860</b>	<b>345,205</b>	<b>0</b>	<b>321</b>	<b>889,700</b>	<b>631,593</b>	<b>257,786</b>	<b>0</b>	<b>321</b>	<b>85,686</b>	<b>-1,733</b>	<b>87,419</b>	<b>0</b>	<b>0</b>
* Local Assistance Child Support Services	533,195	277,399	255,475	0	321	542,064	283,957	257,786	0	321	-8,869	-6,558	-2,311	0	0
* Child Support Collections Recovery Funds	352,461	352,461	0	0	0	347,636	347,636	0	0	0	4,825	4,825	0	0	0
* Alternative Federal Penalty	89,730	0	89,730	0	0	0	0	0	0	0	89,730	0	89,730	0	0
<b>2 Child Support Administration 10.01</b>	<b>966,167</b>	<b>580,651</b>	<b>92,108</b>	<b>293,087</b>	<b>321</b>	<b>876,782</b>	<b>578,685</b>	<b>5,592</b>	<b>292,184</b>	<b>321</b>	<b>89,385</b>	<b>1,966</b>	<b>86,516</b>	<b>903</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	861,604	568,517	0	293,087	0	852,215	560,031	0	292,184	0	9,389	8,486	0	903	0
4 Administration	750,273	495,039	0	255,234	0	742,554	487,655	0	254,899	0	7,719	7,384	0	335	0
5 EDP M&O	111,331	73,478	0	37,853	0	109,661	72,376	0	37,285	0	1,670	1,102	0	568	0
6 EDP Conversion and Enhancements	6,995	4,617	2,378	0	0	8,666	5,046	3,620	0	0	-1,671	-429	-1,242	0	0
7 Interim Access Federal Case Registry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Backfill Loss of FFP-County EDP M&O	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Alternative Federal Penalty	89,730	0	89,730	0	0	0	0	0	0	0	89,730	0	89,730	0	0
10 Compliance Review Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Health Insurance Incentives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Local Agency Transitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Partners For Fragile Families Demonstration Project	300	300	0	0	0	300	300	0	0	0	0	0	0	0	0
14 Urban Hispanic Outreach Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Child Support Assurance Demo Project-Evaluation	321	0	0	0	321	321	0	0	0	321	0	0	0	0	0
16 Foster Parent Training Fund	0	0	0	0	0	1,972	0	1,972	0	0	-1,972	0	-1,972	0	0
17 Title IV-E Child Support Collections	7,217	7,217	0	0	0	13,308	13,308	0	0	0	-6,091	-6,091	0	0	0
<b>18 Child Support Incentives 10.02</b>	<b>0</b>	<b>39,990</b>	<b>253,097</b>	<b>-293,087</b>	<b>0</b>	<b>0</b>	<b>39,990</b>	<b>252,194</b>	<b>-292,184</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>903</b>	<b>-903</b>	<b>0</b>
19 Basic Incentives	0	39,990	253,097	-293,087	0	0	39,990	252,194	-292,184	0	0	0	903	-903	0
20 Data Reliability Audit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Improved Performance Incentives (FC 17706)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>22 Child Support Automation 10.03</b>	<b>9,219</b>	<b>9,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,918</b>	<b>12,918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,699</b>	<b>-3,699</b>	<b>0</b>	<b>0</b>	<b>0</b>
23 California Child Support Automation System	9,219	9,219	0	0	0	12,918	12,918	0	0	0	-3,699	-3,699	0	0	0
24 State Disbursement Unit	517	517	0	0	0	517	517	0	0	0	0	0	0	0	0
25 Child Support Enforcement	8,702	8,702	0	0	0	12,401	12,401	0	0	0	-3,699	-3,699	0	0	0

\* Denotes a non-add item, which is displayed for information purposes only.

**CHILD SUPPORT PROGRAM  
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**TABLE NUMBER 1**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2001-02 MAY REVISE TO 2001-02 APPROPRIATION**  
(in thousands)

Budget Item	2001-02 MAY REVISE					2001-02 APPROPRIATION					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,226,394</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>1,513,338</b>	<b>2,258,413</b>	<b>355,927</b>	<b>348,150</b>	<b>39,355</b>	<b>1,514,981</b>	<b>-32,019</b>	<b>-15,176</b>	<b>-14,608</b>	<b>-592</b>	<b>-1,643</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,226,394</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>1,513,338</b>	<b>2,258,413</b>	<b>355,927</b>	<b>348,150</b>	<b>39,355</b>	<b>1,514,981</b>	<b>-32,019</b>	<b>-15,176</b>	<b>-14,608</b>	<b>-592</b>	<b>-1,643</b>
<b>3 Child Support Assistance Collections</b>	<b>713,056</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>0</b>	<b>743,432</b>	<b>355,927</b>	<b>348,150</b>	<b>39,355</b>	<b>0</b>	<b>-30,376</b>	<b>-15,176</b>	<b>-14,608</b>	<b>-592</b>	<b>0</b>
4 Basic Collections 2/	654,418	312,729	306,113	35,576	0	686,846	328,836	321,651	36,359	0	-32,428	-16,107	-15,538	-783	0
5 FTB NonTax Collections Program	50,499	24,132	23,622	2,745	0	56,586	27,091	26,499	2,996	0	-6,087	-2,959	-2,877	-251	0
6 IRS Tax Rebate Collections	8,139	3,890	3,807	442	0	0	0	0	0	0	8,139	3,890	3,807	442	0
7 Foster Care Collections Compromise (AB 1449)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 California Insurance Intercept Project (CIIP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>9 Child Support NonAssistance Collections</b>	<b>1,348,815</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,348,815</b>	<b>1,356,913</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,356,913</b>	<b>-8,098</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-8,098</b>
10 Basic Collections 2/	1,288,272	0	0	0	1,288,272	1,311,136	0	0	0	1,311,136	-22,864	0	0	0	-22,864
11 FTB NonTax Collections Program	38,002	0	0	0	38,002	45,777	0	0	0	45,777	-7,775	0	0	0	-7,775
12 IRS Tax Rebate Collections	22,541	0	0	0	22,541	0	0	0	0	0	22,541	0	0	0	22,541
13 California Insurance Intercept Project (CIIP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>14 Child Support Other Collections</b>	<b>164,523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>164,523</b>	<b>158,068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>158,068</b>	<b>6,455</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,455</b>
15 \$50 State Disregard Payments to Families	26,667	0	0	0	26,667	28,010	0	0	0	28,010	-1,343	0	0	0	-1,343
16 Collections for Other States - Assistance	11,991	0	0	0	11,991	19,635	0	0	0	19,635	-7,644	0	0	0	-7,644
17 Collections for Other States - NonAssistance	107,823	0	0	0	107,823	110,423	0	0	0	110,423	-2,600	0	0	0	-2,600
18 Miscellaneous Collections 3/	18,042	0	0	0	18,042	0	0	0	0	0	18,042	0	0	0	18,042
<b>19 REVENUES TRANFERS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20 Foster Parent Training Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>21 MISCELLANEOUS REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
22 Recovery of Excess Incentive Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 County Share of Alternative Federal Penalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

2/ FY 2001-02 Appropriation Basic Collections includes the roll-up of State Investment Funds  
(Assistance Total \$2,461; FF \$1,179; GF \$1,152; CO \$130) (NonAssistance Other \$1,194)

3/ Misc. Collections reflect Pass-On, Excess, and Medical Support Collections

**TABLE NUMBER 2**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2001-02 MAY REVISE TO 2001-02 NOVEMBER ESTIMATE**  
(in thousands)

Budget Item	2001-02 MAY REVISE					2001-02 NOVEMBER ESTIMATE					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,226,394</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>1,513,338</b>	<b>2,257,216</b>	<b>344,164</b>	<b>336,950</b>	<b>38,147</b>	<b>1,537,955</b>	<b>-30,822</b>	<b>-3,413</b>	<b>-3,408</b>	<b>616</b>	<b>-24,617</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,226,394</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>1,513,338</b>	<b>2,257,216</b>	<b>344,164</b>	<b>336,950</b>	<b>38,147</b>	<b>1,537,955</b>	<b>-30,822</b>	<b>-3,413</b>	<b>-3,408</b>	<b>616</b>	<b>-24,617</b>
<b>3 Child Support Assistance Collections</b>	<b>713,056</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>0</b>	<b>719,261</b>	<b>344,164</b>	<b>336,950</b>	<b>38,147</b>	<b>0</b>	<b>-6,205</b>	<b>-3,413</b>	<b>-3,408</b>	<b>616</b>	<b>0</b>
4 Basic Collections 2/	654,418	312,729	306,113	35,576	0	653,833	312,857	306,299	34,677	0	585	-128	-186	899	0
5 FTB NonTax Collections Program	50,499	24,132	23,622	2,745	0	57,434	27,482	26,906	3,046	0	-6,935	-3,350	-3,284	-301	0
6 IRS Tax Rebate Collections	8,139	3,890	3,807	442	0	7,994	3,825	3,745	424	0	145	65	62	18	0
7 Foster Care Collections Compromise (AB 1449)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 California Insurance Intercept Project (CIIP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Foster Parent Training Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>9 Child Support NonAssistance Collections</b>	<b>1,348,815</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,348,815</b>	<b>1,389,166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,389,166</b>	<b>-40,351</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-40,351</b>
10 Basic Collections 2/	1,288,272	0	0	0	1,288,272	1,323,691	0	0	0	1,323,691	-35,419	0	0	0	-35,419
11 FTB NonTax Collections Program	38,002	0	0	0	38,002	43,221	0	0	0	43,221	-5,219	0	0	0	-5,219
12 IRS Tax Rebate Collections	22,541	0	0	0	22,541	22,254	0	0	0	22,254	287	0	0	0	287
13 California Insurance Intercept Project (CIIP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>14 Child Support Other Collections</b>	<b>164,523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>164,523</b>	<b>148,789</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148,789</b>	<b>15,734</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,734</b>
15 \$50 State Disregard Payments to Families	26,667	0	0	0	26,667	25,894	0	0	0	25,894	773	0	0	0	773
16 Collections for Other States - Assistance	11,991	0	0	0	11,991	11,961	0	0	0	11,961	30	0	0	0	30
17 Collections for Other States - NonAssistance	107,823	0	0	0	107,823	110,934	0	0	0	110,934	-3,111	0	0	0	-3,111
18 Miscellaneous Collections 3/	18,042	0	0	0	18,042	0	0	0	0	0	18,042	0	0	0	18,042
<b>19 REVENUES TRANFERS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20 Foster Parent Training Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>21 MISCELLANEOUS REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
22 Recovery of Excess Incentive Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 County Share of Alternative Federal Penalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

2/ FY 2001-02 Appropriation Basic Collections includes the roll-up of State Investment Funds  
(Assistance Total \$2,461; FF \$1,179; GF \$1,152; CO \$130) (NonAssistance Other \$1,194)

3/ Misc. Collections reflect Pass-On, Excess, and Medical Support Collections

**TABLE NUMBER 3**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2002-03 MAY REVISE TO 2001-02 MAY REVISE**  
(in thousands)

Budget Item	2002-03 MAY REVISE					2001-02 MAY REVISE					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,454,003</b>	<b>352,461</b>	<b>408,350</b>	<b>40,461</b>	<b>1,652,731</b>	<b>2,226,394</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>1,513,338</b>	<b>227,609</b>	<b>11,710</b>	<b>74,808</b>	<b>1,698</b>	<b>139,393</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,404,110</b>	<b>352,461</b>	<b>358,457</b>	<b>40,461</b>	<b>1,652,731</b>	<b>2,226,394</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>1,513,338</b>	<b>177,716</b>	<b>11,710</b>	<b>24,915</b>	<b>1,698</b>	<b>139,393</b>
<b>3 Child Support Assistance Collections</b>	<b>751,379</b>	<b>352,461</b>	<b>358,457</b>	<b>40,461</b>	<b>0</b>	<b>713,056</b>	<b>340,751</b>	<b>333,542</b>	<b>38,763</b>	<b>0</b>	<b>38,323</b>	<b>11,710</b>	<b>24,915</b>	<b>1,698</b>	<b>0</b>
4 Basic Collections 2/	685,774	321,267	326,751	37,756	0	654,418	312,729	306,113	35,576	0	31,356	8,538	20,638	2,180	0
5 FTB NonTax Collections Program	60,917	28,537	29,026	3,354	0	50,499	24,132	23,622	2,745	0	10,418	4,405	5,404	609	0
6 IRS Tax Rebate Collections	0	0	0	0	0	8,139	3,890	3,807	442	0	-8,139	-3,890	-3,807	-442	0
7 Foster Care Collections Compromise (AB 1449)	-2,391	-659	-693	-1,039	0	0	0	0	0	0	-2,391	-659	-693	-1,039	0
8 California Insurance Intercept Project (CIIP)	7,079	3,316	3,373	390	0	0	0	0	0	0	7,079	3,316	3,373	390	0
<b>9 Child Support NonAssistance Collections</b>	<b>1,475,779</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,475,779</b>	<b>1,348,815</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,348,815</b>	<b>126,964</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>126,964</b>
10 Basic Collections 2/	1,416,780	0	0	0	1,416,780	1,288,272	0	0	0	1,288,272	128,508	0	0	0	128,508
11 FTB NonTax Collections Program	45,842	0	0	0	45,842	38,002	0	0	0	38,002	7,840	0	0	0	7,840
12 IRS Tax Rebate Collections	0	0	0	0	0	22,541	0	0	0	22,541	-22,541	0	0	0	-22,541
13 California Insurance Intercept Project (CIIP)	13,157	0	0	0	13,157	0	0	0	0	0	13,157	0	0	0	13,157
<b>14 Child Support Other Collections</b>	<b>176,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>176,952</b>	<b>164,523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>164,523</b>	<b>12,429</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,429</b>
15 \$50 State Disregard Payments to Families	26,667	0	0	0	26,667	26,667	0	0	0	26,667	0	0	0	0	0
16 Collections for Other States - Assistance	12,567	0	0	0	12,567	11,991	0	0	0	11,991	576	0	0	0	576
17 Collections for Other States - NonAssistance	118,605	0	0	0	118,605	107,823	0	0	0	107,823	10,782	0	0	0	10,782
18 Miscellaneous Collections 3/	19,113	0	0	0	19,113	18,042	0	0	0	18,042	1,071	0	0	0	1,071
<b>19 REVENUES TRANFERS</b>	<b>-1,972</b>	<b>0</b>	<b>-1,972</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,972</b>	<b>0</b>	<b>-1,972</b>	<b>0</b>	<b>0</b>
20 Foster Parent Training Funds	-1,972	0	-1,972	0	0	0	0	0	0	0	-1,972	0	-1,972	0	0
<b>21 MISCELLANEOUS REVENUES</b>	<b>51,865</b>	<b>0</b>	<b>51,865</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51,865</b>	<b>0</b>	<b>51,865</b>	<b>0</b>	<b>0</b>
22 Recovery of Excess Incentive Funds	7,000	0	7,000	0	0	0	0	0	0	0	7,000	0	7,000	0	0
23 County Share of Alternative Federal Penalty	44,865	0	44,865	0	0	0	0	0	0	0	44,865	0	44,865	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

2/ FY 2001-02 Appropriation Basic Collections includes the roll-up of State Investment Funds  
(Assistance Total \$2,461; FF \$1,179; GF \$1,152; CO \$130) (NonAssistance Other \$1,194)

3/ Misc. Collections reflect Pass-On, Excess, and Medical Support Collections

**TABLE NUMBER 4**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2002-03 MAY REVISE TO 2002-03 GOVERNOR'S BUDGET**  
(in thousands)

Budget Item	2002-03 MAY REVISE					2002-03 GOVERNOR'S BUDGET					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,454,003</b>	<b>352,461</b>	<b>408,350</b>	<b>40,461</b>	<b>1,652,731</b>	<b>2,407,969</b>	<b>347,636</b>	<b>353,662</b>	<b>38,843</b>	<b>1,667,828</b>	<b>46,034</b>	<b>4,825</b>	<b>54,688</b>	<b>1,618</b>	<b>-15,097</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,404,110</b>	<b>352,461</b>	<b>358,457</b>	<b>40,461</b>	<b>1,652,731</b>	<b>2,407,969</b>	<b>347,636</b>	<b>353,662</b>	<b>38,843</b>	<b>1,667,828</b>	<b>-3,859</b>	<b>4,825</b>	<b>4,795</b>	<b>1,618</b>	<b>-15,097</b>
<b>3 Child Support Assistance Collections</b>	<b>751,379</b>	<b>352,461</b>	<b>358,457</b>	<b>40,461</b>	<b>0</b>	<b>740,141</b>	<b>347,636</b>	<b>353,662</b>	<b>38,843</b>	<b>0</b>	<b>11,238</b>	<b>4,825</b>	<b>4,795</b>	<b>1,618</b>	<b>0</b>
4 Basic Collections 2/	685,774	321,267	326,751	37,756	0	684,921	321,272	326,861	36,788	0	853	-5	-110	968	0
5 FTB NonTax Collections Program	60,917	28,537	29,026	3,354	0	57,611	27,023	27,494	3,094	0	3,306	1,514	1,532	260	0
6 IRS Tax Rebate Collections	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Foster Care Collections Compromise (AB 1449)	-2,391	-659	-693	-1,039	0	-2,391	-659	-693	-1,039	0	0	0	0	0	0
8 California Insurance Intercept Project (CIIP)	7,079	3,316	3,373	390	0	0	0	0	0	0	7,079	3,316	3,373	390	0
<b>9 Child Support NonAssistance Collections</b>	<b>1,475,779</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,475,779</b>	<b>1,506,707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,506,707</b>	<b>-30,928</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-30,928</b>
10 Basic Collections 2/	1,416,780	0	0	0	1,416,780	1,463,352	0	0	0	1,463,352	-46,572	0	0	0	-46,572
11 FTB NonTax Collections Program	45,842	0	0	0	45,842	43,355	0	0	0	43,355	2,487	0	0	0	2,487
12 IRS Tax Rebate Collections	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 California Insurance Intercept Project (CIIP)	13,157	0	0	0	13,157	0	0	0	0	0	13,157	0	0	0	13,157
<b>14 Child Support Other Collections</b>	<b>176,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>176,952</b>	<b>161,121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161,121</b>	<b>15,831</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,831</b>
15 \$50 State Disregard Payments to Families	26,667	0	0	0	26,667	25,894	0	0	0	25,894	773	0	0	0	773
16 Collections for Other States - Assistance	12,567	0	0	0	12,567	12,535	0	0	0	12,535	32	0	0	0	32
17 Collections for Other States - NonAssistance	118,605	0	0	0	118,605	122,692	0	0	0	122,692	-4,087	0	0	0	-4,087
18 Miscellaneous Collections 3/	19,113	0	0	0	19,113	0	0	0	0	0	19,113	0	0	0	19,113
<b>19 REVENUES TRANFERS</b>	<b>-1,972</b>	<b>0</b>	<b>-1,972</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,972</b>	<b>0</b>	<b>-1,972</b>	<b>0</b>	<b>0</b>
20 Foster Parent Training Funds	-1,972	0	-1,972	0	0	0	0	0	0	0	-1,972	0	-1,972	0	0
<b>21 MISCELLANEOUS REVENUES</b>	<b>51,865</b>	<b>0</b>	<b>51,865</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51,865</b>	<b>0</b>	<b>51,865</b>	<b>0</b>	<b>0</b>
22 Recovery of Excess Incentive Funds	7,000	0	7,000	0	0	0	0	0	0	0	7,000	0	7,000	0	0
23 County Share of Alternative Federal Penalty	44,865	0	44,865	0	0	0	0	0	0	0	44,865	0	44,865	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

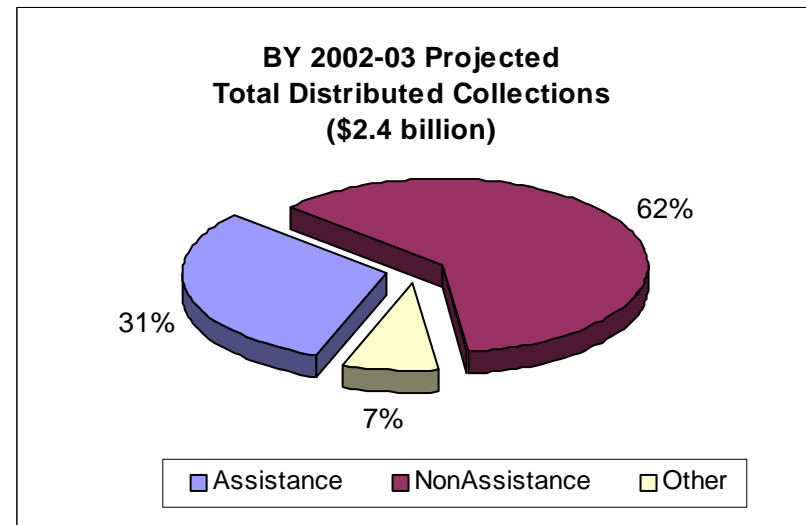
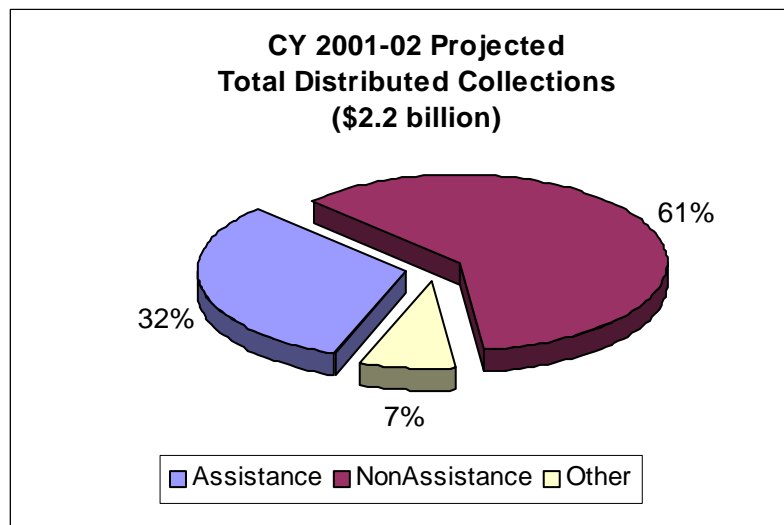
2/ FY 2001-02 Appropriation Basic Collections includes the roll-up of State Investment Funds  
(Assistance Total \$2,461; FF \$1,179; GF \$1,152; CO \$130) (NonAssistance Other \$1,194)

3/ Misc. Collections reflect Pass-On, Excess, and Medical Support Collections

**MAY 2002 REVISION**  
**CHILD SUPPORT TOTAL PROJECTED DISTRIBUTED COLLECTIONS**  
**FOR FISCAL YEARS 2001-02 and 2002-03**

The charts below display California's current year (CY) 2001-02 and budget year (BY) 2002-03 child support total collections that are distributed to the state as revenue (**Assistance**), to the families (**NonAssistance**), to other states and to families for the \$50 state disregard payments (**Other**).

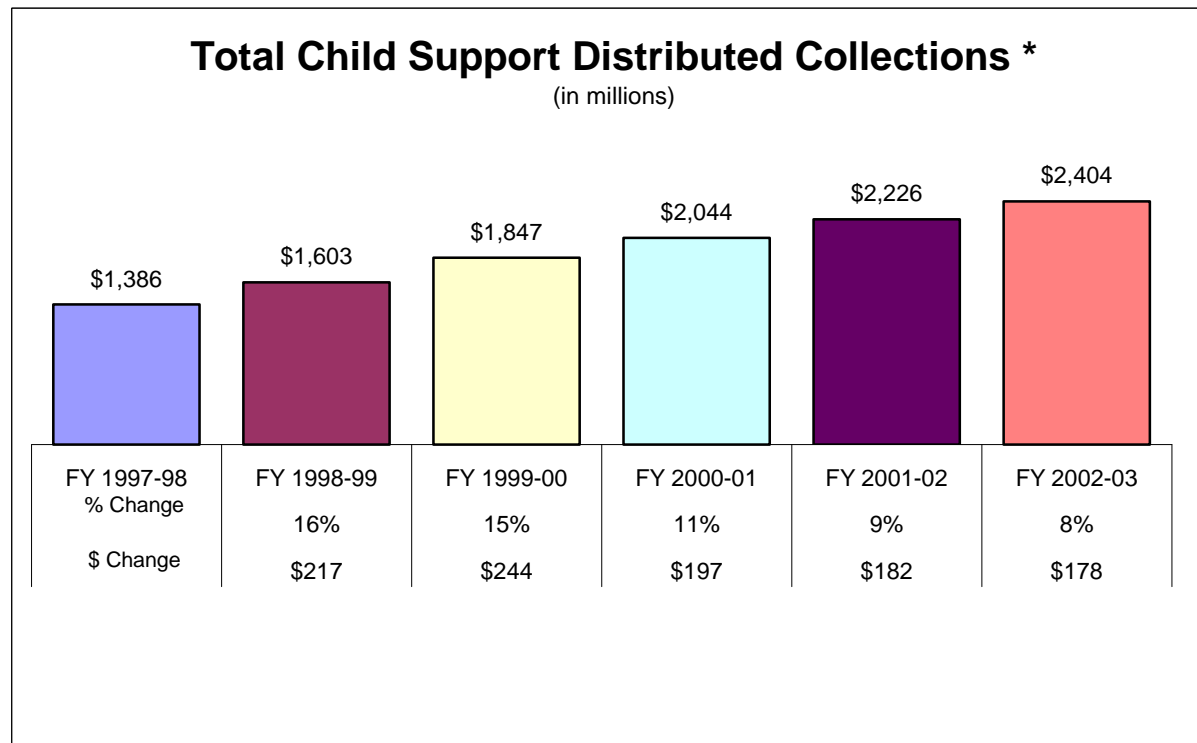
- **Assistance Collections (\$713 million CY, \$751 million BY)** are revenue to the state, which reflects basic collections and new premises. Basic collections (\$654 million CY, \$686 million BY) are the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from noncustodial parents. New premises (\$59 million CY, \$65 million BY) are those collections that are associated with new enforcement activities that are above the basic ongoing functions of the LCSA, such as Franchise Tax Board non-tax collections, and IRS Tax Rebate Intercept.
- **NonAssistance Collections (\$1.3 billion CY, \$1.5 billion BY)** are collections that are made on behalf of families and sent to them. These collections are comprised of basic collections (\$1.3 billion CY, 1.4 billion BY) and new premises (\$60 million CY, \$59 million BY).
- **Other Collections (\$165 million CY, \$177 million BY)** are comprised of assistance (\$12 million CY, \$13 million BY) and nonassistance (\$108 million CY, \$118 million BY) collections that are made on behalf of other states. Other collections also include the \$50 State Disregard Payment to families (\$27 million CY, \$27 million BY), which is the first \$50 of the current months child support payments collected and passed through to the custodial parents who are receiving assistance. Miscellaneous collections are also included in this category which reflect medical support, pass-on and excess collections (\$18 million CY, \$19 million BY).



**MAY 2002 REVISION**  
**CHILD SUPPORT TOTAL DISTRIBUTED COLLECTIONS**  
**TREND ANALYSIS**  
**FOR FISCAL YEARS 2001-02 and 2002-03**

Total child support collections have grown from \$1.4 billion in Fiscal Year (FY) 1997-98 to a projected level of \$2.4 billion in FY 2002-03. This represents a 73 percent overall growth rate.

The chart below reflects the actual and projected total distributed collections and growth by state fiscal years.



\*Source: The collections data of prior years are from the CS 800 and 820 reports as of March 15, 2002.

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## **Local Child Support Agency Basic Costs**

### **DESCRIPTION:**

This premise reflects funds for the local child support agency (LCSA) basic administration including state targeted programs for: Customer Service, Complaint Resolution/Fair Hearings, Quality Assurance Teams, Program Improvement Teams, Outreach, Training, and Compliance Review, and Electronic Data Processing (EDP) maintenance and operations (M&O) costs.

Child support administration costs are comprised of county staff and overhead. The LCSA staff carry out the Child Support Enforcement Program under Title IV-D of the Social Security Act. Their administrative duties include case intake and development, collection and distribution of child support, court preparation to establish paternity and support obligations, and the enforcement of support obligations, including locating absent parents.

The purpose of the state targeted programs is to provide LCSAs with a permanent resource to address program policy, procedure and best practice issues as identified by the Department of Child Support Services (DCSS). It is the intent of DCSS to have available, within each LCSA, a resource that can be targeted to special program improvement efforts. Examples of such efforts include implementation of a customer service program, complaint resolution process, statewide uniform case closure policy, elimination of duplicate cases, and efforts to identify and eliminate causes for undistributed collections.

The EDP M&O funding enables the LCSA to maintain their interim automated system and to continue their work in collecting child support in their respective counties.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code (FC) Section 17704(b), FC Section 17710(a), and Welfare and Institution Code Section 10085(a).
- The LCSAs county share of basic administrative costs is equivalent to the federal and state appropriation in the Child Support Basic Incentives.

### **METHODOLOGY:**

#### **Administration:**

- For Fiscal Year (FY) 2001-02, the estimated LCSA administration costs of \$692,035,000 was based on the child support 13.6 percent incentive pool, pursuant to FC 17704 (b)(2)(B)(i), less the EDP M&O costs. An adjustment was made to reduce the amount for the county share of the Urban Hispanic Outreach Project premise. Additionally, the federal share was reduced by the Federal Parent Locator Services (FPLS) fees, \$415,000, which is not eligible for federal financial participation. As a result of the \$24.6 million reduction to the state share of incentives (13.6 percent incentive pool), the administration cost was reduced by \$24.6 million county share and \$47.4 million federal share.

## **Local Child Support Agency Basic Costs**

### **METHODOLOGY (Continued):**

- For FY 2002-03, the administration cost of \$750,273,000 was based on the child support 13.6 percent incentive pool less the EDP M&O costs. The federal share was reduced by the FPLS fees, \$415,000. The county share was increased by \$335,000 to cover additional costs expected as a result of the postage rate increase.

### **EDP M&O:**

- The LCSAs' EDP M&O costs of \$109,214,000 for FY 2001-02 and \$111,331,000 for FY 2002-03, were based on information provided through the individual county funding request which is reflected in the most recent Advance Planning Document Update (APDU).

### **Basic Costs:**

- The combined total of Administration and EDP M&O for FY 2001-02 is \$801,249,000 and for FY 2002-03 is \$861,604,000.

### **FUNDING:**

The total costs are shared 66 percent federal and 34 percent county. The 34 percent county share is funded with the federal and state incentives.

### **CHANGE FROM NOVEMBER:**

For FY 2001-02, the estimate was adjusted by \$24.6 million, county share, to reflect revised local administration and EDP M&O expenditures.

For FY 2002-03, the estimate increased in county share due to increased cost of \$335,000 for increased postage rates and EDP M&O costs reflected in the May 2002 APDU. In addition, there was a technical adjustment of \$6.7 million, federal share, to reflect the full federal share of cost.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

For FY 2002-03, the estimate was adjusted to reflect the amount proposed in the Child Support Basic Incentives as well as reflect a postage increase EDP M&O costs reflected in the May 2002 APDU.

## Local Child Support Agency Basic Costs

### EXPENDITURES:

(in 000's)	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$801,249	\$861,604
Federal	528,683	568,517
State	0	0
County	272,566	293,087
Reimbursements	0	0



## **EDP Conversion and Enhancements**

### **DESCRIPTION:**

This premise reflects the costs associated with converting the local child support agencies (LCSA) from existing legacy systems to one of the four, out of a total of six, approved consortia systems, and implementing enhancements to existing LCSA child support enforcement automation systems. Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999) requires the LCSAs to modify their current automation systems or change to a different system in order to meet the goal of statewide automation.

The California Department of Child Support Services (DCSS) is responsible for ensuring all LCSAs will have an automation system that will allow them to continue their child support services while the single statewide automated child support system is being developed and implemented.

The Statewide Automated Child Support System (SACSS), previously under development to comply with federal requirements, was terminated in November 1997. Cancellation of SACSS created a necessity for the State to implement interim alternative solutions to meet state and federal requirements. The LCSAs had postponed implementing enhancements to their existing systems in anticipation of SACSS. Some LCSAs must now enhance systems per state and federal mandates; or, LCSAs must convert to one of four, federally approved consortia systems. During this interim period, both enhancement and conversion activities support continued operations of the child support enforcement program within the LCSAs.

### **IMPLEMENTATION DATE:**

This premise was implemented April 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institution (W&I) Code Section 10085
- The funding assumptions for Fiscal Year (FY) 2001-02 and FY 2002-03 are consistent with W&I Code 10085 and reflect the State sharing in the LCSAs' cost to meet mandated requirements and to convert to viable systems.

## **EDP Conversion and Enhancements**

### **KEY DATA/ASSUMPTIONS (continued):**

#### **Conversions**

- Effective July 1, 2000, the federal government recognized BEST and CHASER as approved interim child support systems. Seven LCSAs will remain on these systems until the single statewide system is developed; no new LCSAs will be added to these two Consortia. The remaining LCSAs that need to move to an interim child support system will convert to one of the original four federally approved consortia systems. In total, the federal and state governments recognize six approved interim consortia systems:
  - Computer Assisted Support Enforcement System (CASES);
  - Support Through Automated Resources/Keeping Integrated Data on System (STAR/KIDS);
  - Automated Child Support Enforcement System (ACSES) Replacement System (ARS);
  - KIDZ;
  - Best Enforcement Support Technology (BEST); and
  - Computer Has All Support Expertise Required (CHASER).
- The conversion costs occur in FY 2001-02 .
- Costs include expenses incurred by the LCSA and/or the consortia to convert a LCSA from its existing legacy system to one of the original four federally approved consortia systems. Total funding request for conversion activities equal \$9,750,000 for FY 2001-02 and \$2,833,000 for FY 2002-03.

#### **Enhancements**

- Enhancements needed for federal and state mandates, and other business needs, are included in this premise. Total funding request for enhancement activities equal \$5,967,000 for FY 2001-02 and \$4,162,000 for FY 2002-03.

## **EDP Conversion and Enhancements**

### **METHODOLOGY:**

- The data for this estimate are from the following sources:
  - LCSA input and surveys provided system enhancements and updated cost estimates for FY 2001-02 enhancements. Based on federal guidelines and the State's direction, critical mandated enhancements were selected to be accomplished during FY 2001-02. Enhancement estimates for FY 2002-03 are based on FY 2001-02.
  - All conversion estimates (conversion, data cleanup, and training) for FY 2001-02 are based on historical experience gained from previous conversions, and LCSA input. Conversion costs anticipated in FY 2002-03 is due to LCSA regionalization.

### **FUNDING:**

Costs for this premise are shared 66 percent federal and 34 percent State General Fund (SGF). However, the Administration of Children and Families (ACF) subsequently determined that although certain enhancements must be completed they were not eligible for Federal Financial Participation (FFP). The enhancement requests were prioritized based on the criticality of each project within the authorized SGF and approved FFP levels. Funding for those costs associated with enhancements denied by ACF would be 100 percent SGF.

### **CHANGE FROM NOVEMBER:**

This estimate has been updated for FY 2001-02 to more accurately reflect costs expected for enhancements and conversions based on the December 31, 2001 As Needed Advanced Planning Document Update approved by ACF February 12, 2002. The FY 2002-03 estimate is reflected in the May 2002 Advanced Planning Document Update (APDU).

For FY 2002-03, it is assumed that all enhancements will be eligible for FFP.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The FY 2002-03 costs are expected to be lower because most conversion costs will occur in FY 2001-02 and Electronic Data Processing (EDP) enhancements reflect costs in the May 2002 APDU.

## EDP Conversion and Enhancements

### EXPENDITURES:

(in 000's)	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$15,717	\$6,995
Federal	9,700	4,617
State	6,017	2,378
County	0	0
Reimbursements	0	0



## **Interim Access Federal Case Registry**

### **DESCRIPTION:**

This premise reflects the costs to fund reprogramming by three of the lead consortium local child support agencies (LCSA) to access the Federal Case Registry (FCR) until the State Case Registry (SCR) can be fully developed and implemented as part of the new statewide system. The interim system is an alternate way to access the FCR to obtain timely employer data on non-custodial parents who are newly employed outside of California and to identify case members in common with other states.

The SCR and the FCR were mandated by Public Law (PL) 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The SCR to FCR interface is an automated process that allows for the exchange of transactions concerning IV-D cases and non IV-D orders.

This premise also funds the LCSA costs for sending out the family violence indicator notices to custodial and non-custodial parents to identify victims or potential victims of family violence. Restrictions are placed on the release of information from the FCR on those members coded for family violence.

### **IMPLEMENTATION DATE:**

This premise was implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: PL 104-193 and Welfare and Institution Code Section 16576.
- The notices (letter and questionnaire) for the Family Violence Indicator are sent out to custodial and non-custodial parents. The costs for each of the notices include paper, envelopes, and first-class postage.
- The case count (1,966,085) is based on the Child Support Audit System report.
- Majority of counties implemented the mail notices in Fiscal Year (FY) 2000-01.

### **METHODOLOGY:**

- The Family Violence Indicator notice and mailing costs of \$1,174,000 were based on cost information provided by San Francisco, which was one of the two pilot LCSAs that implemented in FY 1999-00. The funding level for FY 2001-02 is \$249,000.
- The case count was approximately doubled to assume that each custodial and non-custodial parent in a case would receive the notice.

## Interim Access Federal Case Registry

### FUNDING:

- This premise is funded with 66 percent federal Title IV-D funds and 34 percent State General Fund.

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There are no costs in FY 2002-03.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$249	\$0
Federal	164	0
State	85	0
County	0	0
Reimbursements	0	0

## **Backfill the Loss of Federal Financial Participation for County EDP M&O**

### **DESCRIPTION:**

This premise provided State General Fund (SGF) to replace the loss of Federal Financial Participation (FFP) in Fiscal Year (FY) 2001-02 for local child support agencies (LCSA) that were without federally approved Advanced Planning Documents as a result of the termination of the Statewide Automated Child Support System (SACSS) project in November 1997. In FY 2001-02, SGF will be provided for three LCSAs that are without FFP as a result of not being converted prior to the required date of August 31, 2001, which was set by the Administration for Children and Families (ACF). The federal government has agreed to provide Electronic Data Processing (EDP) maintenance & operations (M&O) funding for these LCSAs once they convert to a federally approved interim consortia system.

Additionally, three other LCSAs will not be eligible for FFP for their rehosting efforts from operating their child support enforcement system through their local county information technology departments to the California Health and Human Services Agency Data Center (HHSDC). Although these three LCSAs operate on one of the six federally approved systems (CASES), the three LCSAs must return to the "core" version prior to rehosting to HHSDC. The activity directly related to reverting back to the "core" version of CASES will not be eligible for FFP.

### **IMPLEMENTATION DATE:**

This premise was implemented July 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institution Code Section 10087.
- For FY 2001-02, expenditures for the six LCSAs' EDP M&O (Fresno, Orange, San Diego, Sonoma, Santa Clara, and Tulare) are not eligible for FFP. The activities specific to these LCSAs will result in a total reduction of federal funds and a corresponding increase in SGF in the amount of \$2,541,000.
- For FY 2002-03, all LCSA conversions to one of the six interim consortia systems will be completed during FY 2001-02; therefore, FFP will resume.

## Backfill the Loss of Federal Financial Participation for County EDP M&O

### METHODOLOGY:

The funding level for three of the LCSAs converting to a federally approved consortia system was based upon each LCSA's projected yearly EDP M&O, and then divided by the number of months each LCSA would remain on their legacy system during FY 2001-02. The three additional LCSAs projected costs were based upon their funding needs related to returning to the "core" version of the CASES system. Additional costs were updated to reflect increased rehosting activities, delayed implementation, and conversion activities.

### FUNDING:

All costs are 100 percent SGF with a corresponding reduction to the federal share of the designated child support EDP M&O premise.

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There will be no costs in FY 2002-03.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	-2,541	0
State	2,541	0
County	0	0
Reimbursements	0	0

## Alternative Federal Penalty

### DESCRIPTION:

This premise reflects the alternative federal penalty for failure to complete the Statewide Automated Child Support System (SACSS) by the required date.

Due to the failure of SACSS, the Department became subject to federal fiscal penalties. Pursuant to Public Law 105-200, the Child Support Performance and Incentive Act of 1998, allows the Secretary of the Department of Health and Human Services to waive current penalties and impose an alternative penalty if states have made good faith efforts to meet the federal automation requirements.

Under the alternative penalty, the Department is penalized four percent of federal Child Support Enforcement Program administrative funds for Federal Fiscal Year (FFY) 1998, eight percent for FFY 1999, 16 percent for FFY 2000, 25 percent for FFY 2001, and 30 percent for FFY 2002 and each subsequent year, until the requirements are met.

### IMPLEMENTATION DATE:

This premise was implemented in State Fiscal Year (SFY) 1999-00.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10088(a).
- The FFY 1998 federal penalty imposed was based on the FFY 1997 administrative expenditures (\$299,102,000).
  - The FFY 1998 federal penalty rate was four percent.
- The FFY 1999 federal penalty imposed was based on the FFY 1998 administrative expenditures (\$336,854,000).
  - The FFY 1999 federal penalty rate was eight percent.
- The FFY 2000 federal penalty imposed was based on the FFY 1999 administrative expenditures (\$406,251,000).
  - The FFY 2000 federal penalty rate was 16 percent.
- The FFY 2001 federal penalty imposed was based on the FFY 2000 administrative expenditures (\$443,897,000).
  - The FFY 2001 federal penalty rate was 25 percent.

## **Alternative Federal Penalty**

### **KEY DATA/ASSUMPTIONS (continued):**

- The FFY 2002 federal penalty imposed is based on the FFY 2001 administrative cost (\$524,840,000).
  - The FFY 2002 federal penalty is 30 percent.
- For FFY 2003, the Department is anticipating that federal legislation will be enacted to amend the existing federal law that calculates the Federal penalty.

### **METHODOLOGY:**

- The SFY 2001-02 cost of \$157,452,000 reflects the imposed federal penalty for FFY 2002, which was based on the Administration for Families and Children (ACF) letter dated, January 15, 2002. The cost was calculated by applying the FFY 2002 penalty rate of 30 percent against the FFY 2001 administrative estimated federal expenditures of \$524,840,000.
- The SFY 2002-03 cost of \$89,730,000 reflects the anticipated changes to the federal law that calculates the penalty.

### **FUNDING:**

The federal penalty costs are funded with 100 percent State General Fund (SGF).

### **CHANGE FROM NOVEMBER:**

The SFY 2001-02 cost was revised based on updated actual administrative expenditures.

The SFY 2002-03 cost was revised based on the anticipated changes to the federal law that calculates the penalty.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The SFY 2002-03 estimate decreases due to anticipated changes to the federal law that calculates the penalty.

## Alternative Federal Penalty

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$157,452	\$89,730
Federal	0	0
State	157,452	89,730
County	0	0
Reimbursements	0	0





## **Compliance Review Project**

### **DESCRIPTION:**

This premise provides funding for the local child support agency (LCSA) administrative costs associated with conducting program compliance self-reviews.

The federal Family Support Act of 1988, Public Law (PL) 100-485 required states to meet specific Child Support Enforcement Program performance standards. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Section 342 PL 104-93, requires states to conduct an annual self-assessment of program compliance. Further, Family Code (FC) Section 17702(a) requires the California Department of Child Support Services (DCSS), on at least an annual basis, to assess each county's program compliance, using a statistically valid sample of cases and based on reviews conducted by the state or county, as determined by DCSS. Under FC Section 17710(b), the State pays the nonfederal share of county administrative costs to conduct self-reviews, to implement corrective actions, to update procedures, to oversee ongoing compliance activity and to participate in training as appropriate. As of Fiscal Year (FY) 2001-02, 54 counties have elected to conduct their own reviews.

In addition, this premise reflects funds for an internet based review tool, Child Support Electronic Compliance Review (CSECR) program. This review tool will allow the 54 self-review LCSAs to compile, to compute, and to develop a report on the data from the reviews.

### **IMPLEMENTATION DATE:**

This premise was implemented January 1, 1992.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: FC Sections 17702(a) and 17710(b).
- In FY 2002-03, this activity will be funded out of the LCSAs Basic Costs.

### **METHODOLOGY:**

- FY 2001-02 was held at the Appropriation level, which was based on the funding level of \$4,561,000 and the additional \$97,000 for the CSECR development costs.
- FY 2002-03 was reduced to zero due to lower revenues and other demands on the State General Fund (SGF). Compliance Review activities will be funded through the LCSAs administrative costs.

## Compliance Review Project

### FUNDING:

The cost is funded with 66 percent federal Title IV-D funds and 34 percent SGF.

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Due to lower revenues and other demands on the SGF, funding as a separate line item was discontinued in FY 2002-03. However, funding will be provided as part of the LCSAs basic administrative costs.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$4,658	\$0
Federal	3,074	0
State	1,584	0
County	0	0
Reimbursements	0	0

## **Health Insurance Incentives**

### **DESCRIPTION:**

This premise reflects the \$50 administrative incentive payment to the counties' Title IV-D program for identifying and obtaining third-party health coverage or insurance of beneficiaries available through non-custodial parents' health benefit plans. The costs for the administrative activities to identify and obtain health insurance coverage are funded within the local child support agency's (LCSA) basic administrative costs.

Pursuant to Welfare and Institution Code (W&I) Code Section 14124.93, the Department of Child Support Services shall provide payments to the LCSA of \$50 per case for obtaining third-party health coverage or insurance for applicants or recipients of Title IV-D services. A \$50 administrative incentive payment is paid once the health insurance coverage is obtained by the LCSA and the California Department of Health Services (CDHS) has been notified.

Health insurance includes medical, dental, and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

### **IMPLEMENTATION DATE:**

This premise was implemented October 1, 1993.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: W&I Code Section 14124.93.
- Fiscal Year (FY) 2000-01 actual expenditures were \$2,803,350.
- In FY 2002-03, the Health Insurance Incentives is proposed to be suspended due to lower revenues and other demands on the State General Fund (SGF).

### **METHODOLOGY:**

- The FY 2001-02 estimate includes actual expenditure data through December 2001. Expenditure ratios from FY 2000-01 were applied to FY 2001-02 to forecast the March 2002 and June 2002 quarter expenditures. These were added to the actual expenditure data to forecast FY 2001-02.
- The FY 2002-03 funding was reduced to zero as a result of the proposed suspension of the Health Insurance Incentives.

## Health Insurance Incentives

### FUNDING:

Costs for this premise are funded with 100 percent SGF.

### CHANGE FROM NOVEMBER:

For FY 2001-02, expenditure data and growth rates were updated based on the most recent actuals to project a new annualize cost.

For FY 2002-03, there is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2002-03 was reduced to zero as a result of the proposed suspension of the Health Insurance Incentives due to lower revenues and other demands on the SGF.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$ 3,295	\$0
Federal	0	0
State	3,295	0
County	0	0
Reimbursements	0	0

## Local Agency Transitions

### DESCRIPTION:

This premise provides funds to the local child support agencies (LCSA) for their planning and preparation efforts for the anticipated transition.

Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999) required each county to establish a county department of child support services referred to as the LCSA, to which the California Department of Child Support Services (DCSS) has delegated or with which DCSS has contracted, to secure child and spousal support, medical support, and determine paternity in a county pursuant to these provisions.

The LCSA transitions began January 1, 2001, with at least 50 percent of the State cases to be transferred by January 1, 2002, and the remaining cases to be completed by January 1, 2003.

### IMPLEMENTATION DATE:

This premise was implemented July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Sections 17304 and 17305.
- It is assumed that each LCSA needs a transition consultant/planner for planning purposes at an average annual cost of \$50,000.
- It is assumed that all of the LCSAs would have transition costs for a consultant/planner in FY 2000-01 and 32 (Phase 3 plus Kern) LCSAs will have costs in FY 2001-02.

### METHODOLOGY:

- The funding level was based on each LCSA response to the Local Agency Transition survey in the FY 2000-01 County Funding Request process.

### FUNDING:

The total costs are shared 66 percent federal Title IV-D funds and 34 percent State General Fund.

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no cost in FY 2002-03. All counties should complete transition by June 30, 2002.

## Local Agency Transitions

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$1,600	\$0
Federal	1,056	0
State	544	0
County	0	0
Reimbursements	0	0

## Partners For Fragile Families

### DESCRIPTION:

This premise reflects the provision of budget authority to Los Angeles County to receive federal funds for the Partners for Fragile Families (PFF) Demonstration Project. The federal grant is under provisions of Sections 454(1) and (2) of Title IV-D of the Social Security Act.

The purpose of the demonstration is to test the value and utility for the Child Support Enforcement Program of certain community-based services for young unmarried fathers to enable them better to provide financial, medical, and emotional support for their children and to encourage the formation or continuation of supportive relationships with the mothers of their children.

### IMPLEMENTATION DATE:

This premise was implemented July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code Section 18205.
- This is a three-year demonstration project from July 1, 2000 through June 30, 2003.
- The State Fiscal Year (SFY) 2000-01 federal financial participation (FFP) of the project cost was \$350,000.
- The FFP of the project cost for SFY 2001-02 is \$350,000.
- The FFP of the project cost for SFY 2002-03 is \$300,000.
- The 34 percent matching funds are provided by the Ford Foundation.

### METHODOLOGY:

- The Administration for Children and Families provided the amount of the FFP in their letter, dated March 29, 2000.

### FUNDING:

The cost is funded 66 percent federal Title IV-D funds, and 34 percent matching funds from the Ford Foundation.

### CHANGE FROM NOVEMBER:

There is no change.

## Partners For Fragile Families

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2002-03 reflects the balance of the federal grant.

### EXPENDITURES:

(in 000's)

	2001-02 LCSA Admin.	2002-03 LCSA Admin.
Total	\$350	\$300
Federal	350	300
State	0	0
County	0	0
Reimbursements	0	0



## Urban Hispanic Outreach Project

### DESCRIPTION:

The purpose of this premise is to fund the Urban Hispanic Outreach project (HOP) evaluation and consultative services.

In September 2000, the California Department of Child Support Services (DCSS) was awarded a federally funded grant from the Office of Child Support Enforcement (OCSE) to perform the Urban Hispanic Outreach Project. The purpose of HOP is to work collaboratively with community and faith-based organizations within the Bell/Bell Gardens and Cudahy communities of Los Angeles County to reach Hispanic customers, both custodial and non-custodial parents. This will help to identify what types of outreach material or forums are best presented to this population, to inform them of available child support services, and to ultimately increase their use of child support services.

### IMPLEMENTATION DATE:

This premise was implemented January 1, 2001.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code Section 18205.5
- The evaluation provided by the University of California, Los Angeles will consist of: conducting focus groups, identifying stakeholders and participants, conducting a study on California's Hispanic Child Support population, analyzing the number of paternities, orders and payments, attending all project meetings, tracking program costs, recommending solutions for targeting this population, and for all other research activities.
- Consultative services will be provided by California State University, Chico for the design and production of child support information materials, translation services, temporary in-house coordinator position, attendance at project meetings and recommendation of material needed to target the Hispanic population.
- The fund for this premise will end June 30, 2002.

### METHODOLOGY:

- The evaluation component is estimated to be \$120,000 which will be used in Fiscal Year (FY) 2001-02.
- The consultative services are estimated to be \$95,000, which \$30,000 was funded in FY 2000-01 and \$65,000 will be funded in FY 2001-02.

## Urban Hispanic Outreach Project

### FUNDING:

The cost is funded 66 percent federal Title IV-D funds, 29 percent federal Section 1115 grant, and 5 percent county funds. The 5-percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Assembly Bill 1111 (Chapter 147, Statutes of 1999).

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no cost in FY 2002-03.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$185	\$0
Federal	172	0
State	0	0
County	13	0
Reimbursements	0	0

## **Child Support Assurance Demonstration Project Evaluation**

### **DESCRIPTION:**

This premise requests the reimbursement authority to fund the costs associated with the evaluation contract for the Child Support Assurance (CSA) Demonstration Project, which is budgeted at California Department of Social Services (CDSS) within their TANF Pass-Through to Other State Agencies premise.

Effective January 1, 2001, the California Department of Child Support Services (DCSS) assumed responsibility for the CSA evaluation. The Legislature transferred the CSA Demonstration Project to DCSS pursuant to Article 5 (commencing with Section 18241) of Chapter 3.3 of part 6 of the Welfare and Institutions (W&I) Code and the Family Code Section 17211.

The CSA Demonstration Project tests the idea of providing families, who have child support orders, a guaranteed, minimum monthly child support payment. This project will jointly operate in San Francisco's local child support agency (LCSA) and San Francisco Health and Human Services Agency (SF-HHSA) for a three-year implementation. The evaluation will determine if CSA is an effective means to increase the number of families who become economically self-sufficient as a viable financial alternative program to welfare and has the potential to become a statewide program.

### **IMPLEMENTATION DATE:**

This premise was implemented January 1, 2001.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: W&I Code Sections 18241 through 18247.
- The CSA project period is January 1, 2001 through June 30, 2005.

### **METHODOLOGY:**

- The funding level is based on the proposed budget as submitted by the contractor, Acumen, LLC.

### **FUNDING:**

The cost is 100 percent reimbursed by CDSS.

## Child Support Assurance Demonstration Project Evaluation

### CHANGE FROM NOVEMBER:

In Fiscal Year (FY) 2001-02, the decrease is due to a temporary suspension of the CSA project because of budget reductions at SF-HHSA. Costs reflect actual expenditures from July 1, 2001 through November 15, 2001.

For FY 2002-03, there is no change

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2002-03 is based on the contract amount, and the assumption is that the CSA project will be back in operation.

### EXPENDITURES:

(in 000's)

	2001-02 LCSA Admin.	2002-03 LCSA Admin.
Total	\$44	\$321
Federal	0	0
State	0	0
County	0	0
Reimbursements	44	321

## **Foster Parent Training Fund**

### **DESCRIPTION:**

This premise reflects the cost of the Foster Parent Training Fund. Welfare and Institutions (W&I) Code Section 903.7(b) provides that the difference between the net state share of the estimated child support foster care (FC) collections and the base level of the FC estimated state share of total child support collections be transferred to the Foster Parent Training Fund.

The community colleges, in consultation with the California State Foster Parents Association and the California Department of Social Services, conduct the foster parent training programs. Training consists of teaching foster parents subjects including sibling rivalry, reuniting foster children with their parents, foster care regulations and child growth and development.

### **IMPLEMENTATION DATE:**

This premise was implemented July 1, 1981.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: W&I Code Section 903.7(b).
- The FC estimated state share of collections, based on the sum of the estimated state share of basic distributed collections and the state share of all of the child support collections premises, is \$14,592,000 for Fiscal Year (FY) 2001-02, and \$14,851,000 for FY 2002-03.
- The FC estimated state share of incentives is \$5,818,000 for FY 2001-02, and \$6,302,000 for FY 2002-03.
- The FC state share of collections base level cannot exceed \$3,750,000 each year based on the W&I Code Section 903.7(b).

### **METHODOLOGY:**

- The Foster Parent Training Fund estimate is the difference between the net state share of the estimated FC collections and the base level of the FC estimated state share of total collections. The total estimated state share of FC collections is \$14,542,000 for FY 2001-02, and \$14,851,000 for FY 2002-03.
- The net state shares of FC collections, which are \$8,774,000 for FY 2001-02, and \$8,549,000 for FY 2002-03, are the result of deducting the estimated state shares of FC incentives, which are \$5,818,000 for FY 2001-02, and \$6,302,000 for FY 2002-03, from the state estimated shares of total FC collections. The base level of \$3,750,000 is then subtracted from the net state share of FC collections to identify the amounts eligible for transfer to the Foster Parent Training Fund which are \$5,024,000 for FY 2001-02 and \$4,799,000 for FY 2002-03.
- In SFY 2002-03, Trailer Bill Language will be proposed to limit the amount to be transferred to the Foster Parent Training Funds at \$1,972,000.

## Foster Parent Training Fund

### FUNDING:

The amount transferred to the Foster Parent Training Fund is derived from the state share of Foster Care Collections which is 100 percent State General Fund.

### CHANGE FROM NOVEMBER:

For FY 2001-02, there is no change in the estimate.

For FY 2002-03, there is no change in the estimate, however, the transfer to the Foster Parent Training Fund is being reflected in the Child Support Revenues, Transfers, and Collections tables. This transfer should not be an expenditure to the Child Support program, but should be reflected as an offset to collections revenues.

### REASON FOR YEAR-TO-YEAR CHANGE:

The reason for the year to year change is to reflect the amount budgeted in the California Community College budget. In addition the transfer to the Foster Parent Training Fund is now being shown as a revenue transfer in the Child Support Revenues, Transfers and Collections tables (See above for explanation).

### EXPENDITURES:

(in 000's)

	2001-02 LCSA Admin.	2002-03 LCSA Admin.
Total	\$3,688	\$0
Federal	0	0
State	3,688	0
County	0	0
Reimbursements	0	0

### REVENUES:

(in 000's)

	2001-02 Revenues	2002-03 Revenues
Total	\$0	- \$ 1,972
Federal	0	0
State	0	- 1,972
County	0	0
Reimbursements	0	0

## **Title IV-E Child Support Collections**

### **DESCRIPTION:**

This premise reflects the estimated federal share (Title IV-E) of current Foster Care (FC) collections that reduces the federal share of FC expenditures at California Department of Social Services (CDSS).

The California Department of Child Support Services (DCSS) is responsible for reimbursing CDSS with the federal share of current FC collections as reported to the federal government.

### **IMPLEMENTATION DATE:**

This premise was implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- It is assumed that 7.12 percent of the total assistance child support distributed collections are FC collections and 54.8 percent of the foster care collections are federally eligible. This is based on actual updated collection data reported on the CS 800 Reports, Summary Reports of Child and Spousal Support Payments for July 2000 through June 2001.
- For Fiscal Year (FY) 2001-02, the Federal Medical Assistance Percentage (FMAP) is assumed to be 51.25 percent for the July 1, 2001 through September 30, 2001, and 51.40 percent for the period of October 1, 2001 through June 30, 2002.
- For FY 2002-03, the FMAP is assumed to be 51.40 percent for the July 1, 2002 through September 30, 2002, and 50.00 percent for the period of October 1, 2002 through June 30, 2003.

### **METHODOLOGY:**

- For each child support premise, the FC share of collections percentage (7.12 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 54.80 percent for each premise. The FMAP rate was then applied. In order to forecast the Title IV-E share, the funding was multiplied by the ratio of current foster care collections (51%) to total foster care collections. These resulted in a forecast of \$7,288,000 for FY 2001-02 and \$7,217,000 for FY 2002-03.
- The funding is shown as an administrative cost pass-through in the DCSS' budget and as an expenditure reduction in the CDSS' budget under FC Net Payments.

## Title IV-E Child Support Collections

### FUNDING:

This premise is funded at the FMAP rate.

### CHANGE FROM NOVEMBER:

For FY 2001-02 and FY 2002-03, this premise decreased as a result of reflecting only the current FC collections as reported to the federal government. The November forecast included current and former FC collections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 estimate reflected a slight decrease due to the implementation of Assembly Bill 1449, Foster Care Collections Compromise (Chapter 463, Statutes of 2001).

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$7,288	\$7,217
Federal	7,288	7,217
State	0	0
County	0	0
Reimbursements	0	0



## **Child Support Basic Incentives**

### **DESCRIPTION:**

This premise reflects the federal and state child support incentives.

Effective October 1, 1999, the methodology for calculating state entitlement for federal child support incentives was changed by Public Law (PL) 105-200, the Child Support Performance and Incentive Act of 1998. The federal incentives that will be passed-on to California local child support agencies (LCSAs) will no longer be a flat six percent of distributed collections. Furthermore, effective July 1, 1999, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) changed the way state child support incentives will be paid to counties. State incentives, subject to appropriation of funding in the annual Budget Act, will now be used to fund net LCSA administrative expenditures, after federal financial participation and federal incentives have been deducted.

Pursuant to AB 1111, a flat rate of 13.6 percent of statewide distributed collections must be used to establish the funding pool in each state fiscal year, subject to the appropriation of funding in the annual Budget Act. This pool comprises a combination of both federal and state incentive dollars available to fund LCSA administrative expenditures and recurring and non-recurring electronic data processing maintenance and operation automation costs. The federal incentives are estimated based on the five performance measures; California's incentives are what remains of the 13.6 percent incentive pool after deducting estimated federal incentives.

### **IMPLEMENTATION DATE:**

- AB 1111 implemented changes to California's child support incentive methodology effective July 1, 1999.
- PL 105-200 implemented changes to the federal child support incentive methodology effective October 1, 1999.

### **KEY DATE/ASSUMPTIONS:**

- Authorizing statute: Family Code Section 17704.
- The combined federal and state incentive payments shall be 13.6 percent of the distributed collections. Distributed collections are those actually received by families or agencies providing assistance.

## Child Support Basic Incentives

### KEY DATA/ASSUMPTIONS (continued):

- The federal government pays incentives based on PL 105-200 using the following criteria:

#### 1. The State's Collection Base

The federal incentive methodology gives a weight of two for all distributed collections made in current and former assistance cases. The Federal Fiscal Year (FFY) 2000 distributed collections were used from the federal Office of Child Support Enforcement Fiscal Year 2000 Box Scores by States (Preliminary) report. The formula is as follows:

$$2 \times (\text{Current Support Collections} + \text{Former Assistance Collections}) + \text{Never Assistance Collections} = \text{the State Collection Base}$$

#### 2. Performance Factors

The federal incentive methodology considers program performance in five areas to determine each performance level:

- Paternities Established
- Support Orders Established
- Current Support Collected

(The above three performance factors may each earn up to a performance level of 1.00 percent of the collection base.)

- Cases Paying on Arrears
- Cost-Effectiveness

(The above two performance factors may each earn up to a performance level of 0.75 percent of the collection base.)

#### 3. The Incentive Base Amount

Each performance level is multiplied by the collection base for each performance factor which results in an incentive base amount.

#### 4. Comparison with Other States

The sum of all states' incentive base amounts is divided into each state's incentive base amount to determine California's percentage of the available federal pool.

## Child Support Basic Incentives

### KEY DATA/ASSUMPTIONS (continued):

#### 5. The Available Federal Incentive Pool

PL 105-200 established a set pool of available incentive funds for each federal fiscal year through FFY 2008. After FFY 2008, the available pool of federal incentive funds will be determined using the Consumer Price Index. Following are the statutorily set pool amounts for each federal fiscal year:

- FFY 2000     \$422,000,000
- FFY 2001     \$429,000,000
- FFY 2002     \$450,000,000
- FFY 2003     \$461,000,000
- FFY 2004     \$454,000,000
- FFY 2005     \$446,000,000
- FFY 2006     \$458,000,000
- FFY 2007     \$471,000,000
- FFY 2008     \$483,000,000

#### 6. Determining the States Incentive Entitlement

California's percentage of the available pool, as determined in number 5, is multiplied by the available federal pool for each performance level in the applicable federal fiscal year to determine California's entitlement to federal incentives. Then each performance level federal incentives amount is cumulated. It is assumed that California would be entitled to \$43,942,000 in FY 2001-02 and \$39,990,000 in FY 2002-03 in federal incentives.

#### 7. Phase-in

PL 105-200 established that in FFY 2000, two-thirds of California's incentive will be paid using the old methodology of six percent, and one-third will be paid using the new methodology. In FFY 2001, one-third of the incentive will be paid using the old methodology and two-thirds will be paid using the new methodology. In FFY 2002, 100 percent will be paid using the new methodology.

### METHODOLOGY:

- Incentives are projected on 13.6 percent of estimated distributed collections. For State Fiscal Year (SFY) 2001-02, distributed collections are estimated at \$765,819,000 for assistance and \$1,460,575,000 for nonassistance for a combined total of \$2,226,394,000. In SFY 2002-03, the collections are estimated at \$783,562,000 for assistance and \$1,581,227,000 for nonassistance for a combined total of \$2,404,138,000. However, the SFY 2001-02 and SFY 2002-03 incentive pools were not updated based on the updated estimated collections.

## Child Support Basic Incentives

### METHODOLOGY (continued):

- The federal incentives are estimated using the new methodology under PL 105-200. For SFY 2001-02, the federal incentives are \$43,942,000, and for SFY 2002-03, the federal incentives are \$39,990,000.
- The state incentives are what remains of the 13.6 percent pool after deducting estimated federal incentives. For SFY 2001-02, the incentive funding pool is \$297,154,000. Deducting the federal incentive of \$43,942,000 leaves a state incentives of \$253,212,000. However, the state incentives are proposed to be reduced by \$24,575,000 to reflect the estimated local administrative expenditures. This results in a net amount of \$228,637,000 for FY 2001-02.
- For SFY 2002-03, the incentive funding pool estimate is \$292,184,000. Deducting the federal incentive of \$39,990,000 leaves a state incentive of \$252,194,000. However, the state incentive was adjusted to reflect the increased costs for postage of \$335,000 and the Electronic Data Processing (EDP) maintenance and operations (M&O) costs reflected in the May 2002 Advance Planning Document Update (APDU). This results in a net amount of \$253,097,000.

### FUNDING:

The federal incentives are estimated using the new methodology under PL 105-200. The State incentives are what remains of the 13.6 percent incentive pool after deducting estimated federal incentives, and subject to the annual Budget Act appropriation. State incentives were adjusted due to lower revenues and other demands on the SGF and to reflect a realistic estimate of local administrative expenditures. The federal and state incentives will fund the county share of administrative costs incurred by LCSAs.

### CHANGE FROM NOVEMBER:

The SFY 2001-02 federal and state share incentives estimate decreased by \$24,575,000 to reflect the revised local administration expenditures.

The SFY 2002-03 estimate was adjusted for the anticipated increase of expenditures due to the postage rate increase and EDP M&O costs reflected in the May 2002 APDU.

### REASON FOR YEAR-TO-YEAR CHANGE:

The SFY 2002-03 federal incentives decrease is a result of full phase-in of the new federal performance measures which result in an increase to the state incentives. In addition, the state incentives increase due to the anticipated local administrative costs.

## Child Support Basic Incentives

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	43,942	39,990
State	228,637	253,097
County	-272,579	-293,087
Reimbursements	0	0



## **Data Reliability Audit**

### **DESCRIPTION:**

This premise reflects the federal incentive grant amount awarded to California as a result of the completed data reliability audit for all states reported for Federal Fiscal Year (FFY) 2000.

Public Law 105-200 required that the five performance measures data that are reported annually by the states to the Administration of Families and Children (ACF) to be determined complete and reliable through an audit. Failure to meet the data reliability standard in a given performance measure by a state would result in a reduction of federal incentives. Any loss of incentives would be distributed to other states who met the standard.

### **IMPLEMENTATION DATE:**

This premise was implemented September, 2001.

### **KEY DATA/ASSUMPTIONS:**

The data reliability audit was based on federal review of California's FFY 2000 five performance measures as reported on the OCSE 157, Child Support Enforcement Annual Data Report.

### **METHODOLOGY:**

The awarded federal incentive amount of \$10,481,000 was determined by ACF in calculating the differences between the amount of incentives earned by California as a result of the completed audit for all states and the amount of incentives that California reported for FFY 2000.

### **FUNDING:**

The September 28, 2001 grant award letter from ACF indicated additional federal incentives were earned by California as a result of the completed audit for all states and the amount of incentives that California reported for FFY 2000.

### **CHANGE FROM NOVEMBER:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no cost in State Fiscal Year 2002-03.

## Data Reliability Audit

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	10,481	0
State	-10,481	0
County	0	0
Reimbursements	0	0



## **Improved Performance Incentives (FC 17706)**

### **DESCRIPTION:**

This premise reflects the incentives paid to the local child support agencies (LCSAs) to be used for specified child support-related activities. Assembly Bill (AB) 196 (Chapter 478, Statutes of 1999) authorized a payment of an additional five percent of the state's share of the LCSA's collections to the LCSA with the ten highest welfare and post welfare collections.

Effective July 1, 2001, AB 429 (Chapter 111, Statutes of 2001) changed the payment criteria to be based on the ten highest rankings of the federal performance measures. Four of the federal performance measures were used to rank all LCSAs: Paternity Establishment Percentage, Cases with Support Orders, Collections on Current Support, and Cases with Collections on Arrears.

### **IMPLEMENTATION DATE:**

This premise was implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS :**

- Authorizing statute: Family Code Section 17706.
- The ten highest rankings on four of the federal performance measures are based on the LCSAs' performance from the federal fiscal year 2000 data.
- The federal performance measures were used to rank all LCSAs, with the exception of cost-effectiveness. The four performance measures used to determine the county rankings were: Paternity Establishment Percentage, Cases with Support Orders, Collections on Current Support, and Cases with Collections on Arrears.
- The state share of child support assistance collections are based on the LCSA's monthly CS 800 Reports, Summary of Child and Spousal Payments for Fiscal Year (FY) 2000-01.
- The five percent collection growth was based on the November 2001 estimate of the basic assistance collection trend for FY 2001-02.
- In FY 2002-03, the Improved Performance Incentives was reduced to zero as a result of the proposed suspension due to lower revenues and other demands on the State General Fund (SGF).

### **METHODOLOGY:**

- For FY 2001-02, the performance incentives were calculated using the FY 2000-01 actuals state share of collections for CalWORKs without \$50 Disregard. This was multiplied by five percent to determine the incentive paid to each qualifying LCSA.
- For FY 2002-03, the Improved Performance Incentives will be reduced to zero as a result of the proposed suspension due to lower revenues and other demands on the SGF.

## Improved Performance Incentives (FC 17706)

### FUNDING:

These costs are 100 percent State General Fund.

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 estimate was reduced to zero as a result of the proposed suspension of the Improved Performance Incentives.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin
Total	\$1,002	\$0
Federal	0	0
State	1,002	0
County	0	0
Reimbursements	0	0

## **California Child Support Automation System**

### **DESCRIPTION:**

This premise reflects the federal funds pursuant to Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999) as a pass through to Franchise Tax Board (FTB) for the development and implementation of the California Child Support Automation System (CCSAS).

Pursuant to Welfare and Institution (W&I) Code Section 10080(b)(3), FTB has been designated, as California Department of Child Support Services' (DCSS) agent, as the entity responsible for the procurement, development, implementation, and maintenance of the single statewide automated system in accordance with the state's child support (Title IV-D) plan.

Based on the new direction for child support automation as specified in AB 150, the State General Fund (SGF) resources associated with statewide implementation, contract and consultant costs for new system planning and development, concept development and verification, project management and support, and independent verification and validation were transferred to FTB. In Fiscal Year (FY) 2000-01, DCSS became the single state agency for the Title IV-D funds. Therefore, federal funds for CCSAS are budgeted by DCSS and passed through as a reimbursement to FTB.

### **IMPLEMENTATION DATE:**

This premise was implemented September 1999.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: W&I Code Section 10080(b)(3).

### **METHODOLOGY:**

Legislation transferred the responsibility for the development and implementation of the single statewide automated system for the child support program from Health & Human Service Data Center to FTB. Within the FTB organization, this project is known as the California Child Support Automation System (CCSAS) Project.

The CCSAS consists of two components – Child Support Enforcement (CSE) and State Disbursement Unit (SDU). Originally, both CSE and SDU were budgeted through Federal Information Technology (IT) Development Project funds. In July 2001, the project determined that the SDU procurement would be a service contract rather than an IT development. Subsequently, the Administration for Children and Families directed the project to separate the SDU costs from the CCSAS budget since it was no longer an IT development system.

The estimated total federal funds for CCSAS for FY 2001-02 is \$12,902,000. Of this amount, \$12,397,000 is for CSE and \$505,000 is for SDU. The estimated total federal funds for CCSAS for FY 2002-03 is \$9,219,000. Of this amount, \$8,702,000 is for CSE and \$517,000 is for SDU.

## California Child Support Automation System

### FUNDING:

The Title IV-D federal funds pass through for CCSAS represents 80 percent enhanced funding for project planning costs through September 30, 2001. The 66 percent regular funding represents CCSAS planning costs not eligible for the 80 percent enhanced reimbursement, such as, independent validation and verification contracted services incurred through September 30, 2001, and all CCSAS planning costs incurred after September 30, 2001.

### CHANGE FROM NOVEMBER:

The estimates for FYs 2001-02 and FY 2002-03 were updated to reflect the most recent Annual Advanced Planning Document Update. In addition, the decrease in FY 2002-03 for the CSE component reflects only eight months for planning costs instead of a full year. The funding for the remaining four months will be reflected when the Implementation Planning Document is developed.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2002-03 for the CSE component is due to the change from the 80 percent enhanced federal funding to the standard 66 percent federal funding as well as reflecting only the eight months of planning costs.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$12,902	\$9,219
Federal	12,902	9,219
State	0	0
County	0	0
Reimbursements	0	0

## **Child Support Program – Basic Collections**

### **DESCRIPTION:**

This premise reflects the revenue from the basic distributed child support collections whether it is distributed to the state as revenue, to the families, or to other states.

Basic collections represent the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from non-custodial parents. Besides child support payment data, significant factors that affect basic collections include minimum awards, wage assignments, and intercepts. The Franchise Tax Board (FTB) non-tax collections and the \$50 State Disregard Payments to Families are reflected as separate premises.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code Section 11477.
- The child support payment data for assistance collections are based on the LCSAs' monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with July 1999 through December 2001.
- The child support payment data for nonassistance are based on the LCSAs' monthly CS 820 Reports, Child/Family/Spousal and Medical Support Collections and Non-Assistance Distributions and Disbursements Summary, beginning with July 1999 through December 2001.
- The child support collections to other states data are based on the LCSAs' FY 2000-01 CS 820 Reports.

### **METHODOLOGY:**

- Assistance actual distributed collections are reported monthly on the CS 800 Reports. Actuals from the CS 800 Reports, less FTB non-tax assistance collections and \$50 Disregard payments to families, were used to construct a 30 month trend from July 1999 through December 2001. Seasonal adjustments were made to the data by using monthly dummy variables in the linear regression model.
- Nonassistance actual distributed collections are reported monthly on the CS 820 Reports. Actuals from the CS 820 Reports, less the FTB non-tax nonassistance collections, were used to construct a 30 month trend from July 1999 through December 2001. Seasonal adjustments were made to the data by using monthly dummy variables in the linear regression model.

## **Child Support Program – Basic Collections**

### **METHODOLOGY (continued):**

- Assistance Collections for Other States are reported on the CS 820 Reports. For Fiscal Year (FY) 2001-02, the FY 2000-01 updated actuals were used and a 5.0 percent growth was applied, which resulted in a projection of \$11,991,000. For FY 2002-03, the FY 2001-02 estimated collections for other states was multiplied by a 4.8 percent growth, which resulted in \$12,567,000. The year-to-year growth rates were based on the California's assistance projected 30 month trend growth.
- Nonassistance Collections for Other States are reported on the CS 820 Reports. For FY 2001-02, the updated FY 2000-01 actuals were used and a 8.6 percent growth was applied, which resulted in a projection of \$107,823,000. For FY 2002-03, the FY 2001-02 estimated collections for other states was multiplied by a 10.0 percent growth, which resulted in \$118,605,000. The year-to-year growth rates were based on the California's nonassistance projected 30 month trend growth.
- Miscellaneous Collections consists of Medical Support, Pass-On, and Excess Collections. Pass-On and Excess Collections are reported on the CS 800 report. Medical Support is reported on the CS 820 reports. For FY 2001-02, the updated FY 2000-01 actuals were used and 5.0 percent growth was applied to Medical Support, Excess and Pass-On assistance collections which resulted in a combined total of \$14,105,000. Nonassistance Medical Support FY 2000-01 actuals were increased by 8.6 percent to project FY 2001-02 at \$3,937,000. These were combined to forecast Miscellaneous Collections for FY 2001-02 of \$18,042,000.
- For FY 2002-03, the FY 2001-02 estimated Medical Support, Pass-On and Excess assistance collections were increased by 4.8 percent to produce an estimate of miscellaneous assistance collections to be \$14,782,000. The FY 2001-02 estimated nonassistance Medical Support was increased by 10.0 percent to project FY 2002-03 to be \$4,331,000. The Miscellaneous Collections for FY 2002-03 totals \$19,113,000. The year-to-year growth rates were based on the California's assistance and nonassistance projected 30 month trend growth.

### **FUNDING:**

- Collections made on behalf of nonassistance families are forwarded directly to custodial parents.
- Collections made on behalf of other states are forwarded directly to other states for distribution.

## Child Support Program – Basic Collections

### FUNDING (continued):

- Collections for assistance families, less the \$50 disregard payment to families, are retained and serve as recoupment of costs. The assistance collections are shared based on the Federal Medical Assistance Percentage and the nonfederal sharing ratios. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

#### ASSISTANCE Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

#### FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

### CHANGE FROM NOVEMBER:

The FY 2001-02 and FY 2002-03 estimates were updated for the most recent actual assistance distributed collections data from the CS 800 Reports and nonassistance distributed collections data from the CS 820 Reports. Also, Miscellaneous Collections were added.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 increase is due to projected growth in collections based on historical trend.

## Child Support Program – Basic Collections

### EXPENDITURES:

(in 000's)

	2001-02 Collections	2002-03 Collections
Assistance Total	\$654,418	\$685,774
Federal	312,729	321,267
State	306,113	326,751
County	35,576	37,756
Other	0	0
Nonassistance	1,288,272	1,416,780
Collections For Other States		
- Assistance	11,991	12,567
-Nonassistance	107,823	118,605
Miscellaneous Collections	18,042	19,113
Grand Total <sup>1/</sup>	\$2,080,546	\$2,252,839

<sup>1/</sup> Grand Total does not include FTB Non-Tax Collections, \$50 Disregard, or other collections described in separate premise items.



## **\$50 State Disregard Payment to Families**

### **DESCRIPTION:**

This premise reflects the funds for the \$50 state disregard payments to families.

In addition to the California Work Opportunity and Responsibility to Kids (CalWORKs) grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Under the provision of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Forwarding the disregard portion of the collection to the family instead of retaining it as revenue to the state results in lost collection revenues.

### **IMPLEMENTATION DATE:**

This premise was implemented in Fiscal Year (FY) 1984-85.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code Section 17504.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with July 1999 through December 2001.

### **METHODOLOGY:**

- The cost of the current \$50 disregard is reported monthly on the CS 800 Report. The disregard is paid when the current child support collection is distributed.
- The forecast was generated utilizing 30 months of data from the CS 800 Reports, from July 1999 through December 2001.

### **FUNDING:**

- The lost collection revenues associated with the \$50 disregard are 100 percent State General Fund. The cost is counted toward the State's Temporary Assistance for Needy Families (TANF) maintenance of effort requirement (MOE).
- For FYs 2001-02 and 2002-03, the costs are reflected in California Department of Social Services' budget as additional TANF/MOE expenditures.
- Costs are reflected in California Department of Child Support Services' collections tables to display amount of collections that are paid to the families.

## **\$50 State Disregard Payment to Families**

### **CHANGE FROM NOVEMBER:**

The increase in FYs 2001-02 and 2002-03 reflects recent actual trend data.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change forecasted between FYs 2001-02 and 2002-03. The projection was flattened due to the assumption that CalWORKs cases will begin to increase.

### **EXPENDITURES:**

(in 000's)

	2001-02	2002-03
	Collections	Collections
Total	\$26,667	\$26,667
Federal	0	0
State	0	0
County	0	0
Other	26,667	26,667

## **Franchise Tax Board Non-Tax Collections Program**

### **DESCRIPTION:**

This premise reflects the non-tax collections obtained by the Franchise Tax Board (FTB) resulting from the collections from cases that are delinquent in child support payments by 60 days pursuant to Senate Bill (SB) 542 (Chapter 480, Statutes of 1999), effective January 1, 2000. The FTB sends demand for payment notices and processes bank, wage and miscellaneous levies on accounts for child support collections based on county referrals.

Pursuant to Assembly Bill (AB) 3589 (Chapter 1223, Statutes of 1992), district attorney offices in the counties of Ventura, Los Angeles, Santa Clara, Solano, Nevada, and Fresno volunteered to work with the FTB to design, test and implement a pilot child support collections program. As of December 1993, these pilot counties became fully operational with this program. AB 923 (Chapter 906, Statutes of 1994) authorized expansion of the FTB Collections Program statewide by December 31, 1996.

AB 1395 (Chapter 614, Statutes of 1997) mandated the district attorney offices to refer all child support cases that are delinquent by 90 days to FTB for collection effective January 1, 1998.

AB 702 (Chapter 697, Statutes of 1997) required a data match between the FTB and financial institutions doing business in the State. Its purpose was to discover and levy otherwise unknown assets of delinquent child support obligors. The data match was required by federal mandate, Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

FTB program costs are funded through the Department's state operations at 66 percent federal financial participation and 34 percent State General Fund and are passed on to FTB through an interagency agreement.

### **IMPLEMENTATION DATE:**

- March 1, 1993 – Voluntary referral of 60-day delinquent cases
- January 1, 1998 – Mandated referral of 90-day delinquent cases
- July 1, 1998 – Financial Institution Data Match (FIDM)
- January 1, 2000 – Mandated referral of 60-day delinquent cases

## **Franchise Tax Board Non-Tax Collections Program**

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code Section 17501; Revenue and Taxation Code Sections 19271.5(a) and 19271.6.
- The estimated collections were provided by FTB based on historical data.
- The distribution ratio of 89.04 percent is based on FTB's historical data from the period of December 1993 through June 2001.
- The assistance ratio of 57.06 percent and the nonassistance ratio of 42.94 percent are based on FTB's historical data from the period of December 1993 through June 2001.
- Manual collection efforts are being added at FTB to increase Child Support collections on hard-to-collect cases.
- San Diego will be added to automated collection efforts. It is anticipated that San Diego will be participating July 1, 2002.

### **Non-FIDM Collections**

- Collections are based on demands, bank levies, wage levies, out-of-state referral notices, and out-of-state contract collections.

### **FIDM Collections**

- Collections are based on data provided by FTB as a result of initial banks and other financial institutions' participation.

### **METHODOLOGY:**

### **Non-FIDM Collections**

- The estimated collections from demands are \$2,919,000 for Fiscal Year (FY) 2001-02 and FY 2002-03.
- The estimated collections from bank levies are \$2,635,000 for FY 2001-02 and FY 2002-03.
- The estimated collections from wage levies are \$67,027,000 for FY 2001-02 and FY 2002-03.
- The estimated collections from out-of-state referral notices are \$194,000 for FY 2001-02 and FY 2002-03.
- The estimated collections from out-of-state contract collections are \$274,000 for FY 2001-02 and FY 2002-03.

## Franchise Tax Board Non-Tax Collections Program

### METHODOLOGY (continued):

- The estimated collections from miscellaneous levies are \$251,000 for FY 2001-02 and FY 2002-03.
- The sum total of all the actions for Non-FIDM collections is \$73,300,000 for FY 2001-02 and FY 2002-03.

### FIDM Collections

- The estimated collections for FIDM are \$18,600,000 for FY 2001-02 and FY 2002-03, based on data provided by FTB as a result of initial banks and other financial institutions' participation.

### Other Collections

- Collections as a result of activities from manual collectors and automated call collectors efforts are expected to be \$7,500,000 in FY 2001-02 and increase to \$21,000,000 in FY 2002-03.
- San Diego's participation in the automated collection program is expected July 2002 with an anticipated collection amount of \$7,000,000 in FY 2002-03.

### Net Collections

- For FY 2001-02, the combined total of non-FIDM collections (\$73,300,000), and FIDM (\$18,600,000) and the addition of collections from activities of manual collectors (\$7,500,000) is \$99,400,000. This total was multiplied by the distribution ratio of 89.04 percent to determine the distributed collections (\$88,501,000). This amount was multiplied by the assistance ratio of 57.06 percent resulting in an assistance collection amount of \$50,499,000. The distributed collection amount (\$88,501,000) was also multiplied by the nonassistance ratio of 42.94 percent resulting in a nonassistance collection amount of \$38,002,000.
- For FY 2002-03, the combined total of non-FIDM collections (\$73,300,000), FIDM (\$18,600,000) collections from activities of manual collectors (\$15,750,000), automated call collections (\$5,250,000), and collections anticipated from San Diego (\$7,000,000) totals \$119,900,000. This total was multiplied by the distribution ratio of 89.04 percent to determine the distributed collections (\$106,759,000). This amount was multiplied by the assistance ratio of 57.06 percent resulting in an assistance collection amount of \$60,917,000. The distributed collection amount (\$106,759,000) was also multiplied by the nonassistance ratio of 42.94 percent resulting in a nonassistance collection amount of \$45,842,000.

## Franchise Tax Board Non-Tax Collections Program

### FUNDING:

The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

#### ASSISTANCE

##### Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

##### FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

### CHANGE FROM NOVEMBER:

The FY 2001-02 and FY 2002-03 estimates decreased based on the most recent actual collection data from the period of July 2001 through December 2001.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 increase is due to the San Diego participation in the program effective July 2002 and the impact of increased collections from manual and automated call collection efforts.

## Franchise Tax Board Non-Tax Collections Program

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	Collections	Collections
Assistance Total	\$50,499	\$60,917
Federal	24,132	28,537
State	23,622	29,026
County	2,745	3,354
Other	0	0
NonAssistance	38,002	45,842
Combined Total	\$88,501	\$106,759





## IRS Tax Rebate Collections

### DESCRIPTION:

This premise reflects the increased collections obtained through Internal Revenue Service (IRS) intercepts resulting from the IRS Tax Rebate in Fiscal Year (FY) 2001-02. The IRS Tax Rebates were reduced or withheld from taxpayers that have child support obligations.

The Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) directed the U.S. Treasury to release the IRS Tax Rebates to qualifying income taxpayers. These payments are subject to offset past-due child support under the Federal Offset Program.

The amount of the IRS Tax Rebate is based on the taxable income shown in the taxpayer's 2000 return. The amount is 5 percent of the taxable income, up to a maximum of \$300 for a single taxpayer, \$500 for head of household, and \$600 for a married couple filing jointly.

### IMPLEMENTATION DATE:

- This premise was implemented July 2001.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 107-16, Title I, Section 101; and United States Code Title 42, Section 664
- This premise is a one-time occurrence.
- The collections assumptions were based on exact IRS intercept matches of \$300, \$500, and \$600.
- Data was captured from July 2001 through November 2001.
- Based on the federal offset amount from the 8/14/01 through 10/17/01 Federal Offset Collections Reports, the fees, adjustments and reversals represents the 3.0% of the total offset amount that the federal government reduced from the California Collections for this time period.

### METHODOLOGY:

- The estimated collections from \$300, \$500 and \$600 IRS Tax Rebate matches were \$31,629,300
- The offset amount of \$948,879 (3.0%) was deducted from \$31,629,300 to determine the total net collection amount of \$30,680,000 recouped.
- Total net collections, \$30,680,000 represents \$8,139,000 assistance collections and \$22,541,000 nonassistance collections.

## IRS Tax Rebate Collections

### FUNDING:

The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

### ASSISTANCE

#### Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

#### FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

### CHANGE FROM NOVEMBER:

FY 2001-02 estimates were updated based on the most recent actual collection data from the period of July 2001 through November 2001.

For FY 2002-03, there is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects a one-time occurrence in FY 2001-02.

## IRS Tax Rebate Collections

### EXPENDITURES:

(in 000's)

	2001-02 Collections	2002-03 Collections
Assistance Total	\$8,139	\$0
Federal	3,890	0
State	3,807	0
County	442	0
Other	0	0
NonAssistance	\$22,541	\$0
Combined Total	\$30,680	\$0



## **Foster Care Collections Compromise (AB 1449)**

### **DESCRIPTION:**

This premise reflects the anticipated lost revenue from foster care collections as a result of the Foster Care Collections Compromise. Pursuant to Assembly Bill 1449 (Chapter 463, Statutes of 2001), Foster Care Compromise permits the local child support agency to compromise an obligor's liability for public assistance debt in cases where the parent separated from a child who became the recipient of aid under AFDC-FC or CalWORKs program, when it has been determined that compromise is necessary for the family reunification.

### **IMPLEMENTATION DATE:**

This premise will be implemented October 1, 2002.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code Section 17550.
- Family Reunification caseload (2,213) is from the California Department of Social Services (CDSS), May 2001 Revise, New Family Reunification Cases.
- The percentage of families that may reunite was estimated using the reunification rate (63%) of 1999 CWS/CMS data – Foster Care Termination Reasons. The percentage of families that do not reunite is the difference (37%). The percentage of families that do not reunite solely due to financial hardship cannot be determined.
- The distribution of cases between IV-E (Foster Care) (80%), and Non IV-E (20%) is based on CDSS data. IV-E eligibility is based on AFDC eligibility criteria (living in poverty) and child is deprived of parental support and care.
- Monthly child support payment data (\$185 IV-E, \$258 Non IV-E) is based on San Francisco county experience for July 2001. The percentage of current cases that are collectible was also compared to actual payments received for the month of July 2001 in San Francisco county.
- Of the Non IV-E cases, it is assumed that fifty percent are living below the 250% Federal Poverty Level and therefore eligible for consideration of the Foster Care Compromise.
- All IV-E cases are assumed to be living below the Federal Poverty Level since it's an eligibility requirement of the IV-E program.
- Not all cases receive payments in any given month. A collectability rate was determined by data that compared the number of cases receiving a payment in a month with the number of cases eligible for a payment that month. This was calculated for IV-E cases and for Non IV-E cases.

## Foster Care Collections Compromise (AB 1449)

### METHODOLOGY:

- Average monthly new family reunification cases were multiplied by the percentage of families that have not reunited. This number was split using the IV-E and Non IV-E distribution.
- To determine eligibility for Foster Care Collections Compromise, the Non IV-E caseload was multiplied by fifty percent to reflect the estimated number of cases below the 250% Federal Poverty Level.
- The average monthly cases for both IV-E and Non IV-E caseload were multiplied by 45 casemonths to reflect 9 months of compromised collections for FY 2002-03.
- The casemonths were then multiplied by \$185 average IV-E child support payment and \$258 average Non IV-E child support payment.
- Total potential collections were then multiplied by the collectability rate of 36 percent for IV-E cases and 45 percent for Non IV-E cases to reflect the potential collections that would be compromised.

### FUNDING:

The foster care collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>Foster Care:</u>	July 2002 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.40%	50.00%
State	19.44%	20.00%
County	29.16%	30.00%
<u>FC Nonfederal:</u>		
Federal	0.00%	
State	40.00%	
County	60.00%	

### CHANGE FROM NOVEMBER:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Implementation begins October 1, 2002, therefore, there is no fiscal impact in Fiscal Year (FY) 2001-02 and nine months of impact in FY 2002-03.

## Foster Care Collections Compromise (AB 1449)

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	Collections	Collections
Total	\$0	\$ - 2,391
Federal	0	- 659
State	0	- 693
County	0	- 1,039
Other	0	0





## California Insurance Intercept Project Collections

### DESCRIPTION:

This premise proposes to increase child support collections through the California Insurance Intercept Project (CIIP). CIIP will be an enforcement tool to intercept personal injury claims for past due child support obligations. Electronic matching between Department of Child Support Services' (DCSS) caseload and participating insurance companies will occur through Child Support Lien Network (CSLN).

The CSLN was developed in partnership with the vendor, Maximus and the state of Rhode Island, which was sponsored by the Federal Administration for Children and Families (ACF). CSLN is the only third party personal injury intercept program available today.

### IMPLEMENTATION DATE:

This premise will be implemented July 1, 2002.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Sections 5246 and 17522; and Code of Civil Procedure Section 708.140
- The following data was based on the other participating State's expenditures provided through CSLN:
  - The initial match rate for Fiscal Year (FY) 2002-03 is 4%
  - The average claim amount per intercept is \$3,500
  - Fifty percent of the total number of matches found are for claims that have already been settled and are no longer available for intercept (50% closure ratio).
- The number of cases (649,350) submitted is based on DCSS' Integrated Data Base (IDB).
- The 89.04 percent distribution rate is based on FTB's historical collections data from the period of December 1993 through June 2001.
- The 34.98 percentage for assistance collections are based on the local child support agency's (LCSA's) monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with July 2000 through June 2001.
- The 65.02 percentage for nonassistance collections are based on the LCSA's monthly CS 820 Reports, Child/Family/Spousal and Medical Support Collections and Non-Assistance Distributions and Disbursements Summary, beginning with July 2000 through June 2001.
- The 50 percent for wage assignment is the maximum percentage California can collect.

## California Insurance Intercept Project Collections

### METHODOLOGY:

- For FY 2002-03 collections received, the total number of cases 649,350 was multiplied by the 4 percent match rate (25,974), reduced by the 50 percent closure rate (12,987), then multiplied by the average intercept claim of \$3,500 (\$45,454,500). Applied 50 percent for wage assignment which then equals total collections received of \$22,727,000.

Then, the total collections received (\$22,727,000) was multiplied by the distribution ratio of 89.04 percent to determine the distributed collections (\$20,236,000). This amount was multiplied by the assistance ratio of 34.98 percent resulting in an assistance collection amount of \$7,079,000. The distributed collection amount (\$20,236,000) was also multiplied by the nonassistance ratio of 65.02 percent resulting in a nonassistance collection amount of \$13,157,000.

### FUNDING:

The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

#### ASSISTANCE Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

#### FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

## California Insurance Intercept Project Collections

### CHANGE FROM NOVEMBER:

This is a new premise effective July 1, 2002.

### REASON FOR YEAR-TO-YEAR CHANGE:

Implementation begins July 1, 2002.

### EXPENDITURES:

(in 000's)

	2001-02	2002-03
	Collections	Collections
Assistance Total	\$0	\$7,079
Federal	0	3,316
State	0	3,373
County	0	390
Other	0	0
NonAssistance	\$0	\$13,157
Combined Total	\$0	\$20,236



## **Recovery of Excess Incentive Funds**

### **DESCRIPTION:**

This premise reflects the recovery of excess incentive funds from the local child support agencies (LCSA). These excess incentive funds were created when a LCSA revenue exceeded their annual expenditures.

Historically, any excess money accumulated by the LCSAs was required to be reinvested back into the child support program within two years, unless a long term plan for the expenditure of the funds was approved by the State.

AB 150 (Chapter 479, Statutes of 1999) required any excess funds that have been, or are to be paid to any county for any fiscal year through 1998-99 (including interest earned on those funds) that have not been expended, encumbered, or made part of a written plan approved by the State to revert to the State General Fund. AB 150 also required Department of Child Support Services to contract with Department of Finance to audit the excess incentive funds.

### **IMPLEMENTATION DATE:**

This premise will be implemented in State Fiscal Year (SFY) 2002-03.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code Section 17714.

### **METHODOLOGY:**

Based on the dollar findings of the excess incentive fund reviews conducted to date, it is estimated that \$7,000,000 in excess incentive funds will be recovered during SFY 2002-03.

### **FUNDING:**

The recovery of excessive incentive funds are 100 percent county general funds.

### **CHANGE FROM NOVEMBER:**

This is a new premise for SFY 2002-03. Previously, these excess incentive funds were reflected as prior year adjustments and not reflected in the subvention process.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This is a new premise for SFY 2002-03.

## Recovery of Excess Incentive Funds

### REVENUES:

(in 000's)

	2001-02 Revenues	2002-03 Revenues
Total	\$0	\$7,000
Federal	0	0
State	0	7,000
County	0	0
Reimbursements	0	0

## **County Share of Alternative Federal Penalty**

### **DESCRIPTION:**

This premise reflects the county share of the alternative federal penalty as revenue to the State General Fund (See Alternative Federal Penalty).

Pursuant to Welfare and Institution (W&I) Code Section 10088, in the event that the Annual Budget Act does not provide sufficient funds to pay the penalty, the Department of Child Support Services (DCSS) shall calculate the amount of each county's share of the penalty and notify the auditor and controller of each county. The cost of penalty shall be borne by the county general fund and shall not be charged to the local child support agency (LCSA).

### **IMPLEMENTATION DATE:**

This premise will be implemented in State Fiscal Year (SFY) 2002-03.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: W&I Code Section 10088.
- Although the federal penalty is a county responsibility under current law, the State General Fund (SGF) has provided counties relief from the penalty for the past three years, with the understanding that counties will work towards participation in a statewide automated child support system. Due to lower revenues and other increased demands on the SGF, in SFY 2002-03, it is assumed that counties will participate in the cost of the penalty.

### **METHODOLOGY:**

- For SFY 2002-03, the county share of the federal penalty is \$44,865,000. Trailer Bill Language will be proposed to specify the methodology by which each county will pay their share of the penalty.

### **FUNDING:**

The county share of the federal penalty is funded with 100 percent of the county general fund and not charged to the LCSA. Counties are to remit payment within 30 days of the notice from the State.

### **CHANGE FROM NOVEMBER:**

This is a new premise for SFY 2002-03.

## County Share of Alternative Federal Penalty

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise for SFY 2002-03.

### REVENUES:

(in 000's)

	2001-02 Revenues	2002-03 Revenues
Total	\$0	\$44,865
Federal	0	0
State	0	44,865
County	0	0
Reimbursements	0	0